

chandising Week

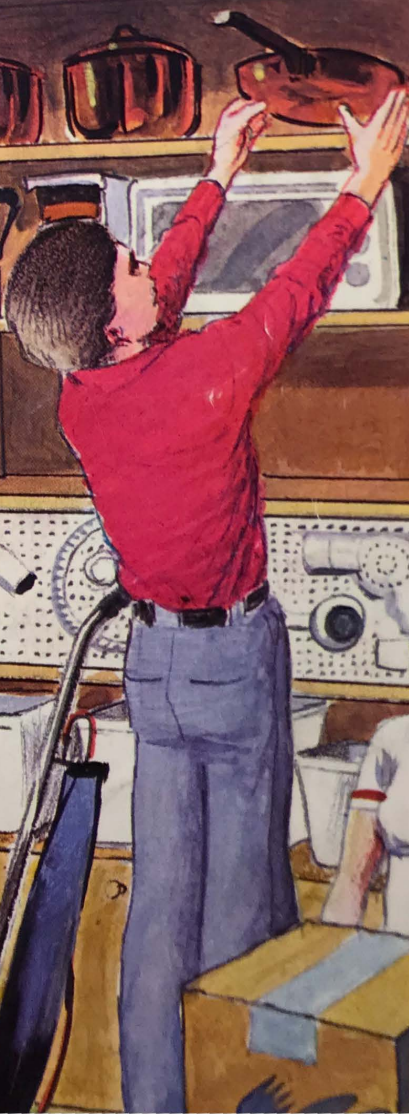
A BILLBOARD PUBLICATION

JAN. 1979 \$10.

Living Room for 1979

KON

HOUSEWARE



Aaron Neretin Editorially Speaking



The troops are coming out again for the January shows, and it remains to be seen if they are as well armed as they should be for 1979.

The parade begins with the Consumer Electronics Show in Las Vegas, passes the Housewares Show reviewing stand in Chicago and winds up back in Las Vegas for the Builders Show.

Economic pressures have built up considerably and will provide some real tests of industry fortitude and individual convictions in the months ahead. But precedents for behavior are going to be established this month for the majority of suppliers, distributors and retailers in this country.

Since we've been dedicated, over the past few months, to trying to ease the pain of uncertainties which have been cropping up recently, I'd like to review some of the ammunition we've accumulated which might help the troops fight the good fight and keep the bad-mouthing enemies at bay.

A massive survey of retailers representing all types of outlets conducted in November and published in our December issue found that:

- 81% of housewares, electronics, and major appliance retailers expect sales to increase in 1979;
- 42% see gains of 5-10%, 22% see gains of 1-5% and 21% see gains of 10-15%.

In housewares, food processors, vacuum cleaners, entertaining electronics, microwave oven cookware, lawn mowers, home security devices, table clocks, automatic drip coffeemakers, fans and gourmet cookware (in that order) are seen as bringing biggest sales increases. Highest margins are attributed to vacuum cleaners, microwave oven cookware, entertaining electronics, fans, lawn mowers and wall clocks (in that order).

In electronics, television, videotape recorders, high fidelity components, projection tv, car stereo and clock radios (in that order) will bring biggest sales increases. Highest margins will go to tv, videotape recorders, high fidelity separates, high fidelity systems and car stereo (in that order).

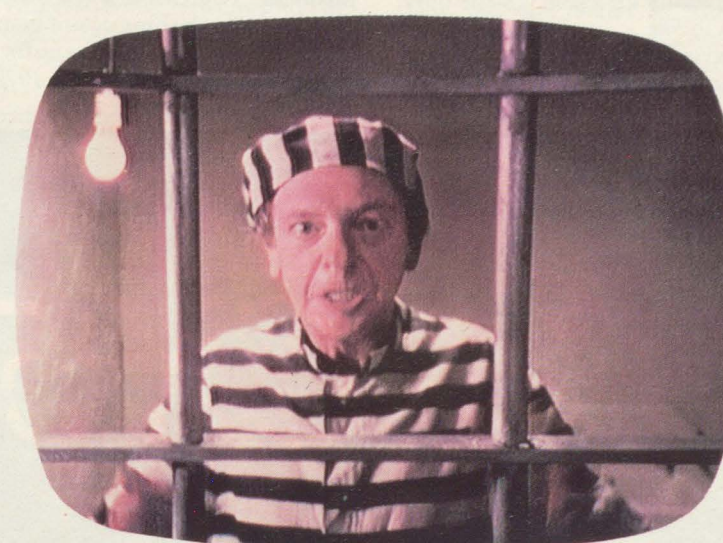
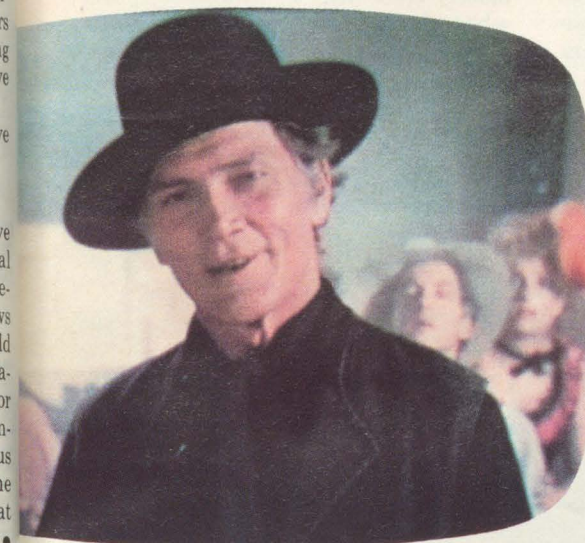
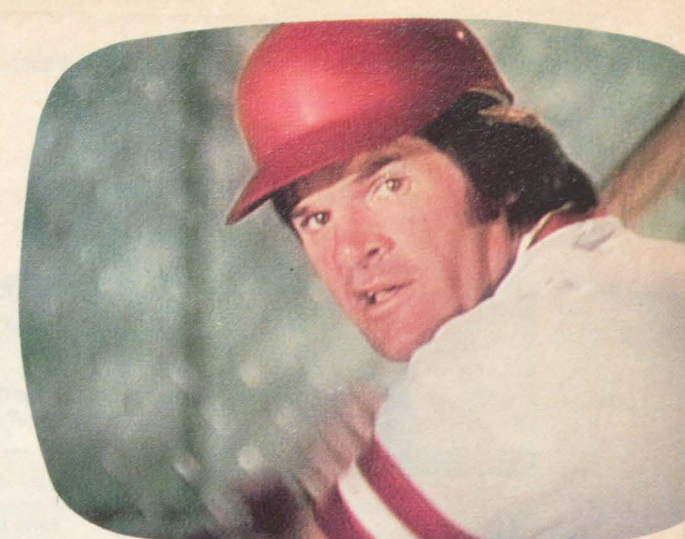
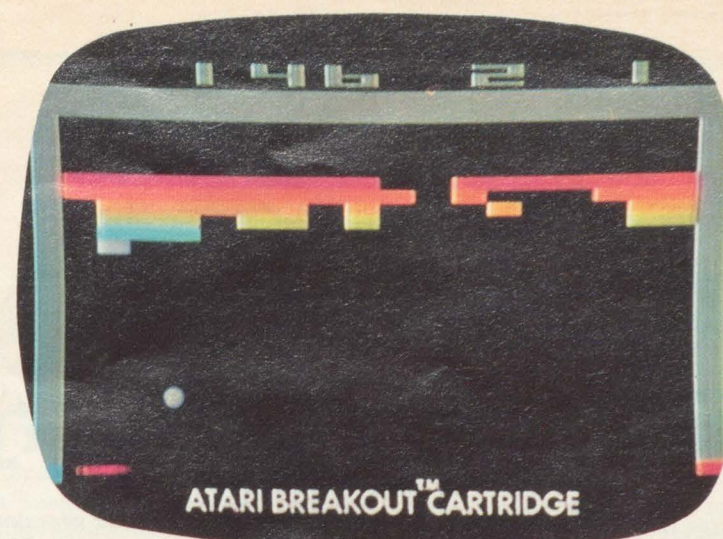
In major appliances, increases are seen in virtually every category, but the majority of dealers look to combination microwave ovens, washers and

dryers, dishwashers, refrigerators and electric ranges (in that order) to draw biggest sales. But highest margins will be garnered by washers/dryers and refrigerators.

The survey, equally representative of all areas of the country, is reviewed in this issue. It's worth carrying around in one's vest pocket, especially if you're faint hearted about the immediate future of our businesses. After all, if 81% of the retailers in our country say that sales are going to increase, who are we to try to prove them wrong?

Keep those good vibes coming. Have good shows and a good year.

By the way, we're going to have large attendance from our editorial and marketing staffs at the Housewares, Electronics and Builders Shows this month. Certainly, if you would like verification of any of the information which appears in this column or the survey which appeared in December, please don't hesitate to contact us either through our booths at the housewares and electronics show or at the builders show.



We just turned the Atari selling season into 365 days.

Atari presents the biggest year-round advertising campaign in video game history.

Christmas used to be about the only season to sell Atari. Well, now there is no one particular season any longer. That's because your customers will be hearing about the Atari Video Computer System and many new action-packed cartridges throughout the entire year. And that's in addition to reminding all those customers who presently own an Atari unit that there are 27 other exciting game cartridges to choose from.

What type of advertising will Atari be doing? A lot of advertising. Salient, provocative, full-page color ads will be appearing in Sunday supplements in top newspapers throughout the country during winter and spring. And more television is on the way.

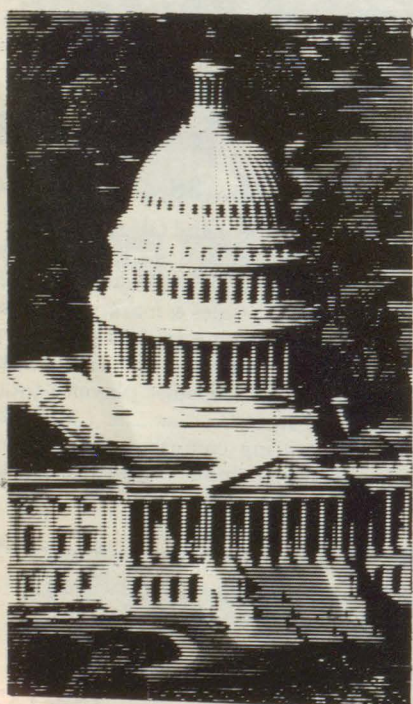
You remember last year. Star-studded commercials running coast to coast. Well, now millions of more dollars are being spent, so you can be sure of more customers not only during Christmas, but throughout the entire year.

People bought the Atari Video Computer System for fun. So remember, there's no stopping them from building their Atari cartridge library year-round.

Now that Atari is giving you year-round advertising support, it means more than just Christmas.



From the Capital



The new year shapes up as a booming one for home appliance sales, but the market will not be quite as zesty as it was in 1978. That is the prediction of the industry economists at the U.S. Department of Commerce. In their annual outlook, to be published this month, they will predict an 8% increase in dollar sales of household appliances this year, compared with an 11% jump in 1978.

Most of that increase is pegged to inflation. "In terms of real growth, 1979 shipments will represent an increase of about 2%," the specialists in the Industry & Trade Administration say.

They see increases in virtually all categories, with housewares—particularly food prep—leading the way. Laundry equipment sales are expected to be the least exciting, climbing only 6%. But in every category, the expected percentage gains are less than those racked up in 1978.

The Commerce estimates are based on the White House anti-inflation program holding housing starts to a "moderate level," but some private economists warn that 1979 is shaping up as a much worse year than that for homebuilding. If they are right, appliances sales will suffer.

Longer range, the Commerce analysts see growth in the industry over the next five years

as clicking along, in real terms, somewhat better than 1979. The estimate that sales in the five years ending with 1983—the increase measured in 1978 dollars—will be 2.6%; that's almost one-third better than the gains they see coming this year.

The big reason the years from now through 1983 look so good is demographics: As the report says, "households comprised of persons in the 25-44 age group, an important appliance-buying age, are expected to rise to 42% of total households by 1983."

But manufacturer innovations will be playing a part, too. The Commerce experts particularly spotlight the new hot air cornpoppers, the automatic tea makers from England, the heavy-duty electric shaver designed for the black market, and the dual-action heavy-duty mixers that appeal to home breadmakers as new products that have promise of significantly fueling sales totals.

When the U.S. Supreme Court in 1977, in the case involving Sylvania's television sales policies, threw out the decade-old rule that territorial restrictions are always illegal under the antitrust statutes, it shifted the balance of power to the manufacturers' side vs. dealers. But the latest, significant ruling in the area

shows that the shift isn't quite as far as some producers had hoped.

In this instance, it led to an award of \$153,416 against Sony Corp. of America, to be paid to Horst A. Eiberger, the Georgia dealer doing business under the names ABP, Inc. and Atlanta Dictating & Business Equipment Co. Eiberger convinced the U.S. District Court in Manhattan that Sony instituted a warranty repayment scheme primarily to get back at below-list sales being made by a Florida dealer of Sony dictating equipment, who was, in turn, getting the merchandise in wholesale lots from Eiberger.

The curb on competition is important, Judge Charles L. Brienant explains, because Sony is the fastest growing of the five companies that share 95% of the dictation equipment market.

Short takes: The expected start in assessing long-pending dumping duties on Japanese television sets (*Merchandising*, Nov., p.4) means a \$5.5-million levy against Sears, Roebuck & Co. ... Despite the fact that it counted 125 injuries on escalators in the 19 months ending in May, 1978, the Consumer Product Safety Commission turned down a bid by a Cleveland group that it set mandatory safety standards for the moving stairs. ... With four of the biggest voices on housing missing in the new Senate due to defeats and retirements, expect less enthusiasm for Federal money to support new home construction.

by the late-1980s performance projection systems, say some retailers, while at the other extreme, are those who feel projection could come to a complete standstill this half. Consumers who had to be first on the block with a projection set have already purchased one; now, retailers say, other interested consumers are waiting for lower prices and new innovation.

TV GAMES

Merchants expect much the same sales pattern in programmable tv game consoles this year as they've previously experienced—a slowdown over the next several months. But they do anticipate a lively market in cartridges and will devote dollars to promote them.

New cartridge introductions include several educational selections, and although these are expected to move well, retailers see racing and "shoot-and-kill" games retaining their places as most popular games. Consumers buy these because "they can make a lot of noise with them and jump up and down," commented one dealer. "They provide an emotional outlet."

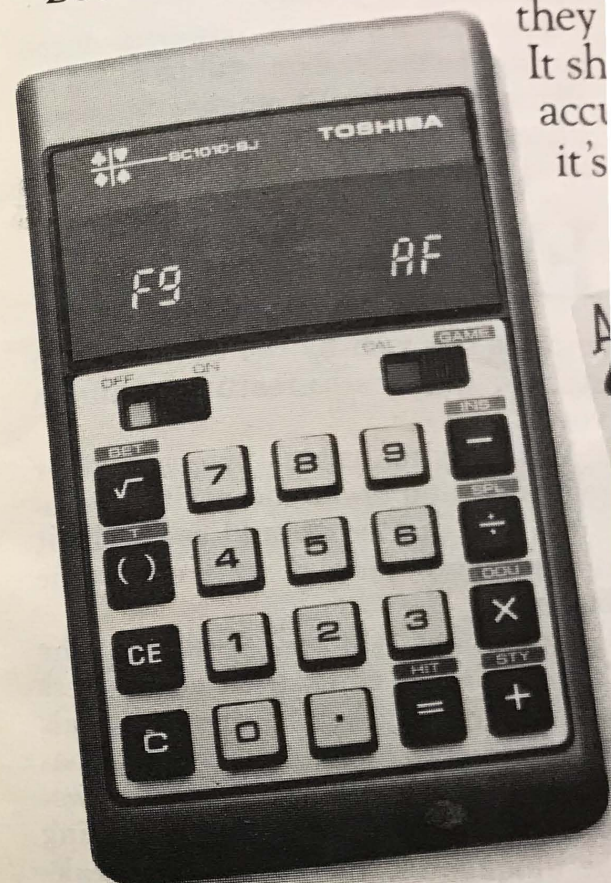
As with VTR, retailers also say they are feeling pressure in the marketplace for lower-priced programmable game models. Some, in fact, expect pricing on programmables to drop by the fourth quarter as manufacturers achieve production economies.

Several dealers think that, as a result of the anticipated recession, first-half video game sales could drop compared to last year. They believe that while tv games are most interesting, they remain a luxury item and a postponable purchase in a down economy. "After all, said one retailer, "it's still only a game, and an expensive one."

That tv games are a profitless venture was reiterated by those independents—citing mass merchant price-cutting, sometimes below dealer cost—who have dropped the category. "I refuse to handle them," stated one merchant. "I'm not in competition with 'Toys-R-Us.'"

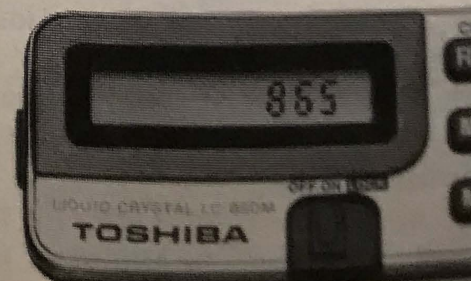
THE BLACKJACK CALCULATOR.

Your customers can play Both dealer and player hands



THE A CALCULATOR THIS SMALL

This extra-compact e power-off circuit to extend that holds the memory cor calculator functions. Come



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Videocassettes.

3M

Sometimes, in addition to its Phone Center Stores, has set up a department in Bloomingdale's, a leased space. It is a test program, and if it works, it could turn out to be a prototype for other Bell System companies through the country.

That's the primary question buyers are asking about non-video electronic games.

Presently, most of the machines are sold in the toy departments of major stores and there has been little movement to transfer that responsibility to the personal electronics buyer.

Those electronics buyers that do handle the product say that they offer games as a hook into their departments. Many plan to offer them in the entrance, hoping that interest will be spurred.

There is no question among buyers that the more challenging and complex non-video games are predicted to be the better sellers. They do worry however, that supply will not equal the demand, as evidenced by this year's Christmas rush.

There is a continued doubt about the role of the personal computer in the general mass merchandiser outlet.

Those buyers that have experienced personal computer selling are excited and confident, but those that have shied away may continue to do so.

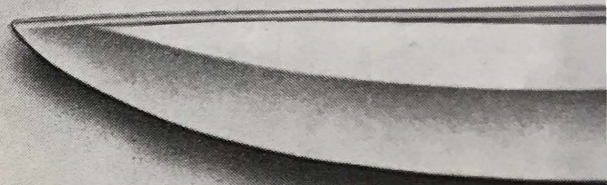
Those retailers in the fray cite lower prices as their prime selling advantage this year. They also say that the growing number of major manufacturers entering the market should certainly help.

With predictions of 650,000 units sold this year, by all retailers, and the Radio Shack and other private brand retailers stressing this product as well as telephones, the personal computer category may broaden its distribution channels during the first six months.

The arrow is pointed upward for personal electronics retailers for the first six months of 1979, with new, improved and more creative products expected to generate the most sales excitement.

Check the polished edge on the
cave ground, surgical steel blade
our spanking new Classic collection
gives the same super-sharp edge
put on our famous straight razors
erations ago. And we don't know
body else who can make that
What's more, these new Classic
sharp, too. Handsomely styled
kind of elegant simplicity today
wants in cutlery.

With glistening black laminated
handles triple riveted for strength



ELECTRONICS OVERVIEWS 1979

we're talking about taking a very big bath."

Shortages—not overproduction—is perhaps the major problem facing the blank videotape market, but this should be alleviated by national VHS introduction by 3M this month, currently marketing 1- and 2-hour Beta format tape under the Scotch brand; the premiere at the CES of Beta cassettes by TDK, already selling VHS; the start of VHS shipments by Memorex during the first half, with Beta format tape to follow later in the year; and Dupont's planned introduction of beta cassettes sometime after the first of the year.

3M, which at the end of last year was test marketing VHS cassettes in the Twin Cities, is also looking at the possibility of manufacturing a 3-hour Beta tape, reportedly under development.

Bullish blank tape outlook

"We're bullish on the outlook for blank videotape in the first half and all through 1979," says Steven Fredrickson, marketing operations manager, 3M, "based on the significant sales increase we've had in the Beta format."

"Although consumers are still not gobbling up tape at the rate that was projected at this time last year," he says, "the market is doing nicely." According to 3M research, consumers are not erasing and re-using their tapes in numbers that might be expected, considering cassette cost, Fredrickson notes.

3M plans a "very aggressive" trade advertising campaign for both tape formats this year, as well as ads in consumer magazines.

TDK talks about a larger market for blank tape now that more VTR decks are in the hands of consumers. Says Ken Kohda, vice president: "Nineteen seventy-seven tape sales were based on 170,000-180,000 decks that had been sold. In 1978, we're talking about sales of approximately 400,000 units, and on top of the previous year's growth, means a growing market in blank tape too—although the big jump will not occur until Christmas." While TDK, as indicated, will introduce Beta tape this month, the company notes that "the major market is in American consumers seem to be the 4-hour length."

TDK will continue its videotape magazine ad campaign into the first half of the year.

Judging from equipment sales, and the inputs we are getting from tape duplicators," says Albert Bedross, national sales manager-videotape, Fuji, "it's got to be a very bright outlook for tape—in fact, it looks dynamite."

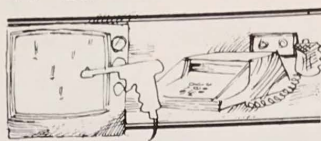
Bedross believes that increased competition in the blank tape market will bring a price shakeout before long. Any confusion that now exists over pricing, Bedross attributes to free and money-off tape offers in special promotions hardware marketers have run to stimulate the purchase of decks.

"Promotions of this type have a tendency to whore the market," he comments.

In contrast to Bedross, Al Pepper, marketing manager, Memorex, sees a price reduction on audio branded video tape further down the road. "As long as there are availability problems, there's no reason for prices to go down. But once the industry has reached capacity," he adds, "there will be more aggressive price competition."

"The market is limited only by availability," he notes. "And until the second half, there will be far more demand than supply."

TV Games



Programmable video games manufacturers are putting heavy emphasis on software during the first half of the year, with new cartridge introductions at the Winter CES and substantial advertising and promotion activity to support the product. And, because of the availability of a wider variety of software, hardware sales are also expected to rise dramatically over the same period last year.

Atari, which is introducing eight new cartridges at the CES, including one that will teach BASIC computer language and permit limited programming by the user, will kick off the year with a \$2 million advertising campaign, its first ever in the top half of the year. The drive features full-page 4-color Sunday supplement ads with dealer listings that center around a "cartridge of the month" theme.

"People who are interested in games have and will continue to step up to programmables," says Michael Shea, director of marketing, adding, "the more like a computer, the better." According to Shea, dedicated games are "an increasingly decreasing business."

Atari has no plans to alter pricing on its \$189 "Video Computer System" this year and expects other manufacturers to also maintain current levels. Says Donald Thompson, director of sales: "It just doesn't make sense to change the price in the first half because if you do, another (decrease) is expected in the second half." Besides, adds Shea, "sophisticated programmables are not becoming cheaper to manufacture as are dedicated chip games."

Fewer suppliers, more stability

Ken Ingram, senior vice president, Magnavox, looks for fewer games suppliers this year—"two or three major programmable suppliers doing the bulk of the business—and a much more stable market because the manufacturers themselves are more stable—they won't give it away."

Ingram sees "a strong market in programmable games with many more sold throughout the course of the year as consumers purchase games they have played at the homes of friends."

As for the low end, Ingram sees that sector represented by fewer Far East suppliers, but "there will still be a lot of dedicated chip games sold this year," he adds.

"All of us know the market better than we did two or three years ago," comments Ingram. "We're not flooding the market like we did. And buying is more intelligent—buyers are stocking up only on what they feel confident they can sell."

Fairchild Camera & Instrument will debut three new games cartridges at the Winter CES, and John Donatoni, director of marketing-video products div., expects "heavy activity in software over the next six months."

Backing its new introductions, Fairchild plans a major dealer promotion similar to the "5 free with 50" (units) offer it ran last year.

Summing up the games picture, Donatoni says: "We see programmables staying over the \$100 level at retail and expect very good success with the software, which has been our philosophy from the beginning."

Projection TV



Manufacturers look for continuing growth in the projection tv market during 1979's first half, stemming from greater consumer awareness, improved product availability and stepped-up advertising support, much of it on the local level.

Pointing to a bright long-term outlook for high-performance projection systems, manufacturers, however, acknowledge that the 1979 market remains limited, chiefly due to the product's high price and large size. Best estimates for total 1979 sales of these models range from 100,000-150,000 units. This compares with the approximately 50,000-80,000 units sold in 1978.

Near term, prices are expected to hold for high performance models, costly to build in terms of both optics and cabinetry. And depending on the fluctuating yen-dollar relationship, prices on models imported from Japan could in fact increase during the year.

Sony Corp. has launched its first advertising campaign for projection tv in two years. Joe Lagore, executive vice president, Consumer Products Co., expects "a lot of interest" in the category now that more manufacturers have entered the field and deliveries are anticipated to be on target.

First half stronger

Lagore adds that while the first half of this year will be stronger than the year-ago period, high prices continue to limit sales in the projection industry. "Currently, projection tv is not a mass market product, but it will be when prices come down." As for the immediate future, Lagore raised the possibility of price hikes contingent on the yen-dollar relationship.

Panasonic's Ray Gates, executive vice president-consumer electronics, says he "wouldn't be surprised if prices go up this year" but looks to a "technological breakthrough" in construction about a year and a half away that should lead to price reductions.

"I'm optimistic about the long-term future of projection and flat screen tv which will follow it," says Gates.

Further, the manufacturer notes that Panasonic dealers are "making a greater percentage of sales to consumers (vs. the commercial market) than we had expected. It's not a huge quantity, but it's the start of a nice business and shows that consumers with money want it."

Likewise Alex Stone, vice president-marketing and sales, Quasar Electronics Co., sees "the beginning of a rapidly building market in projection" even as manufacturers are just beginning to get their product and distribution in order.

Quasar, continuing its market-by-market rollout, plans a series of local advertising drives during the first half, Stone says.

Advent shifts to co-op

Advent, which had put the emphasis on national institutional-type advertising, is this year shifting to local dealer co-op, including, perhaps, selective tv flights.

Peter Sprague, chairman, discussing the move to local promotion, says: "We've run a fair amount of institutional ads, and national advertising does not move sets. What works is building traffic and demonstrating the product. If retailers decide to make the

effort, it works," he adds, citing sales at such promotion-minded stores as Bloomingdale's, New York City; Finger's, Houston; and, in Dallas, Howard Stores, and Valas TV.

"If you don't put the effort in, you just won't sell them," says Sprague. "Projection is not a product you simply drop on the floor with washers, dryers and other sets." Sprague also says having knowledgeable salespeople to demonstrate the units are key to sales.

The executive notes that Advent has initiated a "very aggressive approach" to expanding its dealer network. "We have a separate team whose only job is to go forth and sign up dealers in areas where we are not represented," Sprague says the firm is beginning to look more at specialty appliance independents who serve their communities and are willing to make a substantial effort.

Melco Sales, which markets projection units under the MGA and Melco labels, expects 200,000 units in this year, with 150,000-170,000 representing high performance items. "Super" Yamaguchi, president, predicts 60,000-70,000 of these units to be sold in the first half, historically softer than the final quarters of the year.

Yamaguchi sees prices staying in the \$3,500-\$4,000 range until "a technological breakthrough" occurs this year or in 1980. Melco plans to introduce a new 2-piece projection system this spring and could give dealers an advance look at this month's Consumer Electronics Show.

Audio/High Fidelity Components



Components business will be "tough," "spotty" and, according to some of the industry's top executives, "softening" in 1979, according to some of the industry's top executives.

Hifi sales have been erratic all over the past few months, with suppliers reporting light sales in January, good (not strong, but good) next.

As for the new year, it should be business as usual. Maybe less.

"We had a good November and slow December," reports Roy Mitchell, president of U.S. Philips Electronics. "The order inventory are down now and I think dealers will keep them down."

Mitchell, for one, says he doesn't blame dealers for tightening up their inventories. In fact, he says that they should have been operating with tighter controls all along. "I think they have tended to be a little cavalier about inventories," Mitchell adds. "They'll be buying for more than the first half."

Buying for turns

"I think the industry will be in a first six months equals last year," Phil Welch, national sales manager, Philips High Fidelity Laboratory, Welch agrees with Mitchell that

ers are buying for more of this approach makes a "What might happen that some manufacturers the show with some loan and I know a lot of manufacturers come to the show with programs, which are loaned. And I don't think it's work."

Welch says he expects the first half. "The increase looking for is totally in rather than any real growth have about 20 new products double what I had last year looking at a 40-50% increase but that doesn't represent growth. It's essentially flat."

Gradual warming at "I'm looking for a tip months and then may be warming toward the end. It's just that the (public) mood in general, which reflects, is somewhat When you get people in government throwing in like depression and recession, it tends to cool them."

Jerry Henricks, national manager for Hitachi's audio, believes past experience with manufacturers and dealers back to the last recession that we had a lot of people in the industry who weren't very businessmen, both manufacturers. We had manufacturers projected sales all over the place we had dealers who didn't to sell anything other than a marketplace. I don't have either of those conditions. The only condition we have is a slowdown or recession. have manufacturers with much more in line with dealers who are more capital people."

One thing Henricks sees with higher price points is efficient selling. "So it won't be as we might think."

But Hitachi doesn't plan a price increase. "We did our October," says Henricks. "We should hold prices now a little plan to be more competitive."

Reorganizing distributors

TEAC Corp. of America far as to reorganize its distribution and down the line—to commands of '79 selling. According to Joe Pershes, national manager for audio, TEAC's next few months will shift to top-end products into the that do the best job with products. The lower-end good TEAC's low-end cassette will wind up in shops which TEAC can do the best job with product. Then there will be dealers with the entire TEAC line.

The franchising program is under way at the CES. "This year is going to be tough" on the industry, says "I think we're going to see a chandise at low prices at the know I'm going to be pushing end cassette deck."

Pershes also thinks it will be from now on for an audio specialist, remain an audio specialist, them already getting into video and other products. We expect more of that."

More selective distributors

Sony is looking for more distribution as well. Sony will line of high-end component

INTRODUCING ATARI 400TM

PERSONAL COMPUTER SYSTEM



The affordable home computer that's easy to use even for people who've never used a computer before.

Atari, the company that brings thousands of hours of fun into your customers' homes with the Atari Video Computer SystemTM, now adds a new product concept to the fast-growing personal computer market with the Atari-400TM.

The Atari-400TM is the "general purpose" home computer designed by people for people. Because of its advanced engineering, it's easy to use. Because of its affordable price, it's easy to sell.

With the Atari-400TM, your customers will

discover one of the simplest ways to educate at home. That's because it has the advanced capabilities of talking and teaching on home TVs with Atari's exclusive audio/digital cassettes. Currently, the Atari educational program library has a selection of 20 subjects to choose from ranging from Algebra to Zoology.

As for helping your customers run their households, the Atari-400TM can be used for personal finances, record keeping, and most other home business matters.

Plus, Atari-400TM offers the most sophisticated thinking and action games ever.

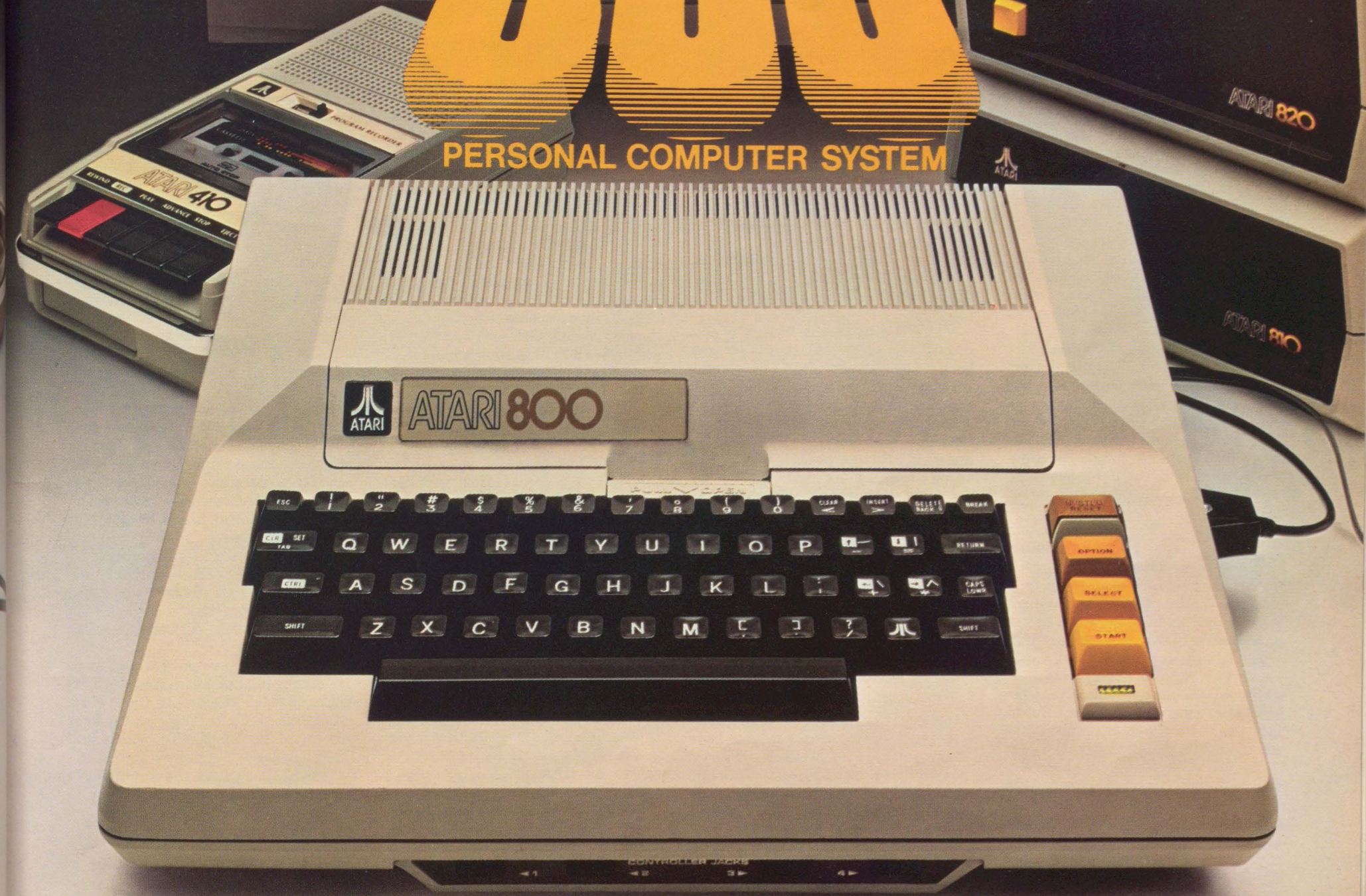
That's a lot of ways to offer your customers an easier and better life with one easy-to-use personal computer. You'd have to agree, it's a good enough reason why they'll make the Atari-400TM their first home computer.

The Atari-400TM. The affordable, easy-to-use home computer, offering your customers the benefits of the computer world. And at the same time, opening up a whole other world for family life.



INTRODUCING ATARI 800TM

PERSONAL COMPUTER SYSTEM



The personal computer with expandable memory, advanced peripherals, and comprehensive software so it will never become obsolete.

How sophisticated can a personal computer be if it's outdated in a year? Or in even a month?

Well, Atari solves that problem by introducing the *Timeless Computer*—the Atari-800TM.

It's the top-of-the-line personal computer system with more adaptability. That's because of its expanded memory, a variety of peripheral components, and a comprehensive software library. The Atari-800TM is designed to change as your customers'

needs change.

The Atari-800TM can be easily used by people with no previous computer experience without compromising capability for the sophisticated user who wants to write specialized software. Storage and manipulation of large data bases ranging from stock market analysis to inventory control will allow the Atari-800TM to find its way into uses never before imagined.

In addition, the Atari-800TM is an instructional tool that speaks to you,

asks questions, and uses the TV screen as its blackboard. Available subjects range from Algebra to Zoology.

And the games!

The most sophisticated action and thinking games ever, with excitement, sounds, and color never imagined before. Like Basketball, Chess, and Stock Market, just to name a few.

The Atari-800TM. The only computer your customers will ever need to buy.

The Atari-800TM. The *Timeless* Personal Computer System.



...vance
...ata and instant co
...gs. Selling for \$79.95, the
...lays local time and date,
...and world time 24 zones.
...o introduces the Kosmos
...unit with vacuum fluo-

Kosmos' Mini-Bio

rescent display at \$29.95 and the Astro I combination calculator and astrology unit at \$49.95.

Kosmos International, Inc., Candler Building, 127 Peachtree St., M, Atlanta, GA 30303.

Atari Inc.

SUNNYVALE, CA—Atari Inc. enters the personal home computer market with two systems—the Atari-400 general purpose system and the Atari-800 personal computer.

The computers' library includes software consisting of personal financial management; income tax preparation; household and office record keeping and computer aided instruction in over 20 subject areas, including math, English, history, literature, economics, psychology, auto mechanics and others.

Also offered are a series of action and thinking games for one to four players. Both systems are programmable in BASIC language; other languages will be available on preprogrammed solid-state cartridges.

The Atari-400 System features a 57 key monopanel keyboard, single cartridge slot for solid-state programs of up to 8,000 bytes of memory, cassette recorder capability and an internal audio speaker.

The Atari-800 offers dual cartridge capability; user expandable random access memory up to 48,000 bytes and series of optional peripheral devices including high speed floppy disc and 40-column printers.

Atari, Inc., 1265 Borregas Dr., M, Sunnyvale, CA 94086.

Texas Instruments

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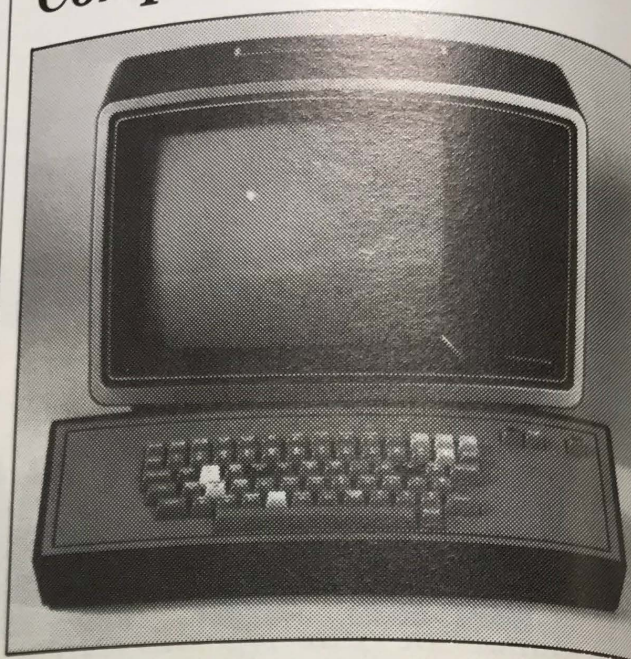
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mounting

NJ—Panasonic adds
ephone dialers, each

back battery warning indicator and name
index cards and wall mounting plates.
*Panasonic, One Panasonic Way, M,
Secaucus, NJ 07094.*

Compucolor



Compucolor's new computer

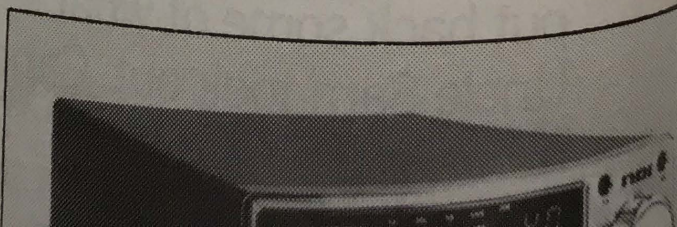
NORCROSS, GA—Compucolor Corp. adds the Compucolor II personal computer with 13-in. screen and graphics capabilities that produce displays in eight colors.

SofDisk applications include tax compilation, financial record-keeping, checkbook balancing, menu planning, chess, Othello and Hangman.

Retailing at \$1,495, the unit is offered with 8k of user memory and a built-in floppy disk drive. It has an extended disk Basic in ROM and an RS-232C port for interface with printers or other peripherals.

*Compucolor Corp., P.O. Box 569, M,
Norcross, GA 30091.*

NDI



Model CT-610 from Sharp

PARAMUS, NJ—Among Sharp's consumer calculator division's electronic is model CT-610 at \$149.95. The calculator combines a digitally synthesized radio with an electronic clock/radio for desk top use.

The radio allows for pre-set stations for recall and feature rate keys permitting auto search auto scan. The clock has option

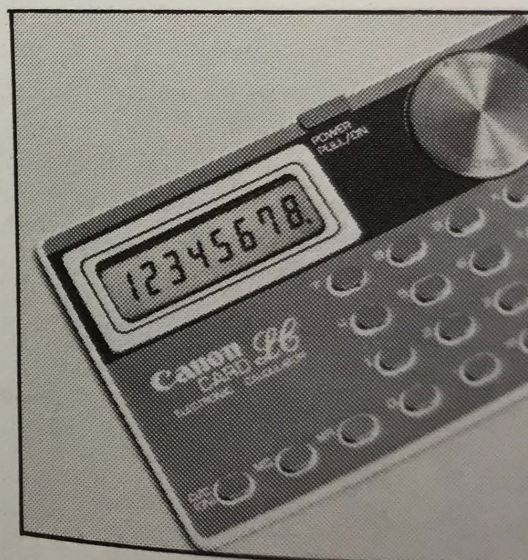
Phone-Mate

TORRANCE, CA—From Phone-Mate, Inc. comes model 910 cassette telephone answerer at \$

Features include twin cassette system; ring adjust; audio monitor; power on indicator; waiting light; fast forward erase mode.

*Phone-Mate, Inc., 325 Ma
M, Torrance, CA 90503.*

Canon U.S.A.



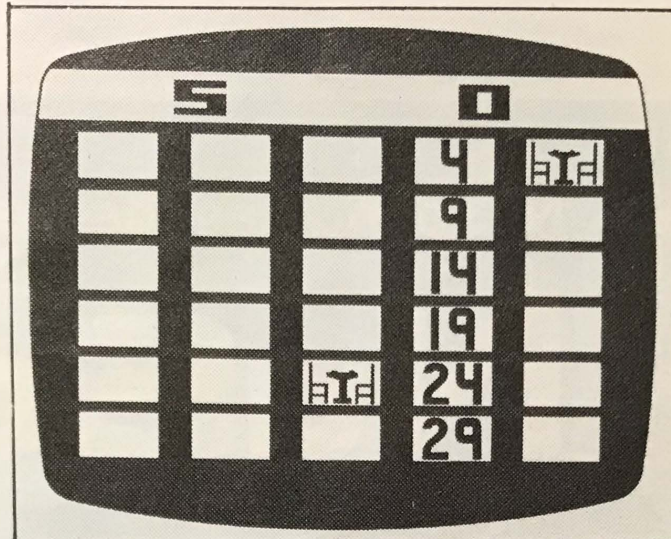
Canon's model LC-7

LAKE SUCCESS, N
Canon U.S.A., Inc.'s nine
lators is model LC-7, the
the line. Available in a bl

Prices on the other two Toyomenka additions range from \$179.95 to \$239.95.

Toyomenka (America) Inc., One World Trade Center, M, New York, NY 10048.

Atari



Atari's Hunt & Score

SUNNYVALE, CA—Atari introduces its Keyboard Data Entry Controllers, along with 10 programmable Game Program cartridges for the Video Computer System.

The new cartridges include the Hunt & Score with 24 game variations and options and the Codebreaker, including the game of Nim with eight variations.

Atari also introduced eight additional Game Program cartridges including football, human cannonball, sky divers, miniature golf, slot machine, canyon bomber, bowling and casino.

Atari Inc., 1265 Borregas Ave., M, Sunnyvale, CA 94086.

Sonar Radio

HOLLYWOOD, FL—Sonar Radio Corp. offers model VX-1401 Video-raser, a hand-held bulk eraser for video and audio cassettes and tapes, which erases up to 2-in. tape. The unit's mag-

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FEB. 1979 \$10.

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TRY WITH MORE THAN TODAY ON ITS MIND



many report that consumers will buy almost anything that's available just because "they want to use that machine," most ask for feature films of a more recent vintage than those they've seen on the market.

Some retailers indicate they experience a strong surge in business whenever a shipment of new titles arrives. No advertising, but "word gets around and sales snowball," said one.

TV GAMES

Merchants are looking for brisk sales in video game software this month, with sports retaining its place as most popular type of cartridge sold.

Many merchants feel there is a definite place for programmable games that also teach but do not cross over into the computer area. They cite the wide price difference as the most significant reason, in addition to consumer's intimidation by computers.

Those tv games merchants having second thoughts about carrying this product say they have been turned off by several factors including: (1) significant sales only a few months in the year, while display space is tied up unproductively the rest of the time; (2) salespersons' time wasted keeping persistent youngsters from demonstration models; (3) the same amount of time necessary selling a tv game as a projection tv set or other high-ticket product.

PROJECTION TV

Retailers promoting projection tv systems in combination with videotape recorders are seeing their efforts pay off. Packages of large-screen tv sets and VCR decks at spe-

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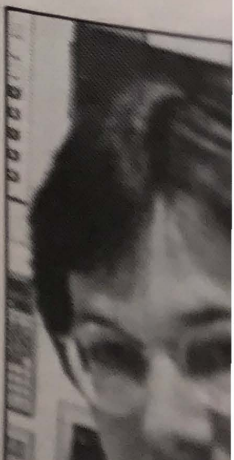
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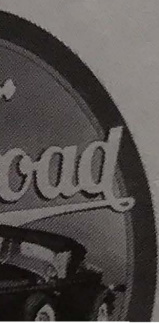
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Forum, Chicago, considers portable VCRs "essential to camera sales because few consumers want to record only in the living room." Part of the value of VCR is in do-it-yourself taping and not being limited to "rehashing tv programs," Sylvester pointed out.

Variety boosts profits

Ray Gates, Panasonic's executive vice president, looks to a variety of VCR models as a way to increased dealer profit. Said he: "If every dealer sells the same thing, it turns into a rat race. You have to have variety because the dealer has to be in a position to protect himself since the government is no longer protecting him now that fair trade is dead." Gates predicts a 50% increase in total VCR industry sales this year over 1978's approximate 400,000 units—this, despite higher prices instituted by most marketers.

A portable VCR unit is under consideration by RCA, but Jack Sauter, vice president-marketing, Consumer Electronics, said "the question of recording time is extremely important to its success. The half-hour unit is a little on the short side to our way of thinking. We believe we'll be appealing to the people that want four hours—those that are into video recording. Also, it's a \$2,500 package with the camera."

First-half push vital

Retailers attending last month's CES stressed the importance of manufacturer advertising and promotion to first-half VCR sales. Making the biggest waves at the start of this year, RCA has launched a \$2 million national promotion featuring almost \$100 in free blank tape to Select-

aVision purchasers. Quasar adds a new promotion that provides dealers with exclusive distribution rights to a series of exercise programs produced by Health 'N Action, Inc., available in both VHS and Beta formats. And GTE Sylvania, while planning no special promotional activity, plans to substantially increase its VCR advertising over the next few months. "We'll be very visible during the first half," noted Thomas Shepherd, president, GTE Consumer Electronics Co.

VCR will also get a boost from several blank tape manufacturers this year, who, having introduced home videocassette tape at the CES or shortly before, plan significant ad campaigns to support the product. Several retailers said they were pleased with the "good deals" they were offered in blank tape during the winter show.

Mini tv combos cheered

One product that received almost unanimous praise was the mini multi-function black-and-white tv set.

Said one mass merchant: "They're an incredible opportunity. The consumer is looking for excitement and the mini b/w provides it. This product demonstrates that tv is becoming as fashionable as the ready-to-wear industry."

Don Hough, Pleasure Technologies, La Grange, IL, said he's had good success with tiny combo tv sets, which he calls "affordable, portable, quality entertainment products."

Sony's Ed Adis, vice president of sales, captions these mini sets "a return to profitability in black-and-white tv." And Alex Stone, president, Quasar Co., sees this market, currently 15% of unit volume and 20% of dollar

sales, growing in several years to 25% of sales volume and 30% of retail dollars.

The tv game, which evolved in just a few years from dedicated chip unit to programmable microprocessor-based system, is fast becoming absorbed into the emerging personal computer category. Excellent retail response was given Mattel Electronics' new "Intellivision" system: The Master Component used alone—a video entertainment and self-education center, with a companion keyboard component—a home computer.

The company will initially promote "Intellivision" as a video game system rather than a computer, according to Bruce Donaldson, national sales manager, Mattel. Pending FCC approval, "Intellivision" and 14 cartridges will be ready for shipment in June. Keyboard delivery is scheduled for the final quarter of the year.

Barry Britman, buyer for Two Guys, Garfield, NJ, said the firm plans to enter the high-end video game business next fall. "I'll have to make some direct comparisons with Atari and other games available, but Mattel technically is the most innovative one I've seen."

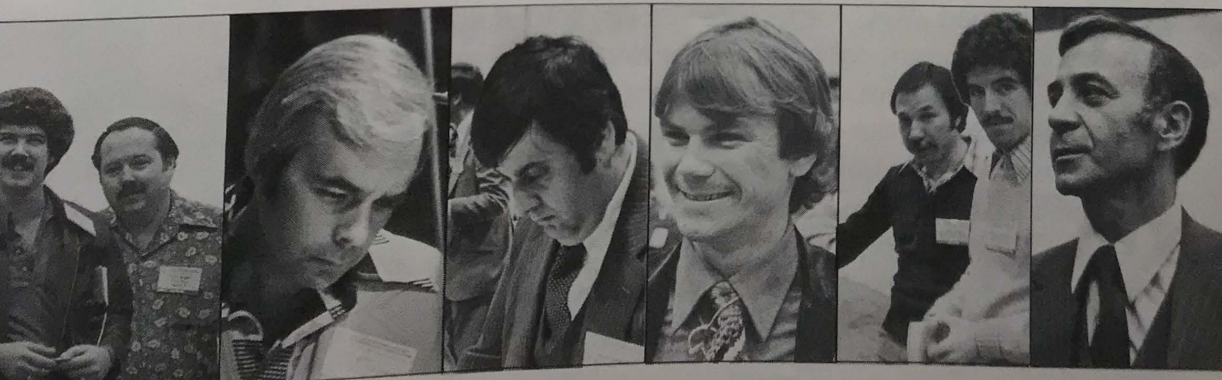
Daniel Fennessy, Giffen Video, Staten Island, NY, called Mattel's game system "the best" because of its character players as well as the unit's teaching capabilities.

Introduction via games

Industry figures say first introducing consumers to programmable games is the way to successfully market home computers. Noted Sy Lipper, president, APF: "Today's kids are aware of computers, but most adults are 'afraid' of them. With the computerized game, people are able to familiarize themselves with the computer and lose their fears."

Lipper sees home computers soon "obsoleting" video games. APF de-

Continued on page 48



Also at CES were Bob Zangrillo, R. H. Macy & Co.; Barry Lanier, Audio Innovations, Gainesville, FL; Phil Weatherwax and Doug Waisner, Federated Group.

Product Picture

Tiger Electronic

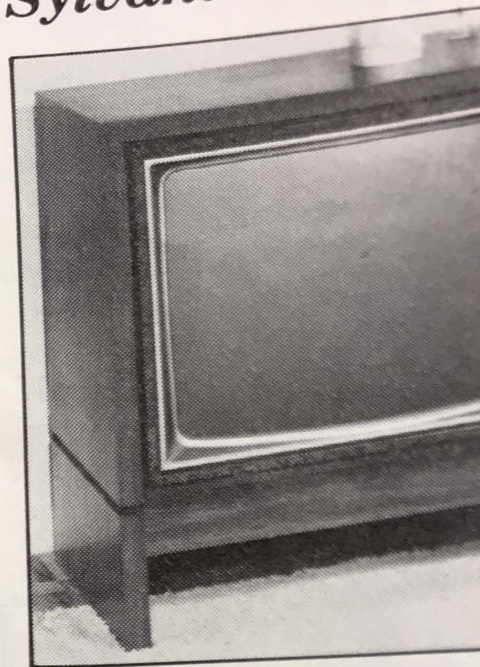
MUNDELEIN, IL—Tiger Electronic Toys, division of Interstate Industries, Inc., offers its 1979 line of non-video games highlighted by "Rocket Pinball," featuring electronic digital scoring for one or two players; LED targets, bumpers and flippers; electronic sound effects; seven skill levels; free ball and bonus scoring; five-ball games and solid state design. It sells for about \$24.95.

Other new game additions include "Sub Wars" arcade-like target game for about \$24.95; "Computer Baseball," also at about \$24.95; "Half-Court" computerized electronic basketball at about \$19.99; "Copy Cat" with flashing lights and sounds at about \$17.99; "Raceway" for approximately \$19.95 and "Think Tank" for about \$16.88.

Tiger's line also includes three "Select-O-Tune" battery-operated junior juke boxes and six children's phonographs from \$19.99 to \$24.99.

Tiger Electronic Toys, division of Interstate Industries, Inc., 111 S. Washington Blvd., M, Mundelein, IL 60060.

Sylvania




Model CL9211W from

BATAVIA, NY—Fifteen sets, a videocassette recorder and two stereos have been displayed at the Sylvania store in Batavia. The new tvs include color consoles featuring a color system with automatic brightness control circuitry and trix picture tubes.

Model CL9211W, a 21-inch set in walnut-grained wood, sells for \$579.95. Mod





sion of Plessey Inc., introduces two turntables incorporating a new motor that is brushless, coreless and without slots, creating a magnetic force that is constant during the entire 360° rotation of the platter.

It features Time Integral Velocity (TIV) speed monitoring and "Hall effect" control circuitry, the line includes semi-automatic single play model DD131 at \$189.95 and fully automatic single play model DD132 for under \$200.

Garrard, 100 Commercial St., M, Plainview, NY 11803.

Bally

FRANKLIN PARK, IL—Bally Consumer Products division introduces six cartridges for its "Professional Arcade" programmable video game. The software, including "Star Battle," "Football" and "Amazing Maze," range in price from \$19.95 to \$24.95 at retail.

Bally Manufacturing Corp., 10750 W. Grand Ave., M, Franklin Park, IL 60131.

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Bright video home entertainment future arrives to big dealer ap

• Continued from page 23

buted a computer module at the show to be used with its currently available microprocessor home entertainment unit. The dual system is expected to be available in the fall for under \$500 at retail.

In another new move from game to computer, Bally incorporated its "Professional Arcade" as Level I in its three-level computer system which premiered here.

Projection tv still controversial

Projection tv remained a controversial category among retailers who traveled to Las Vegas, although most concurred that they found no significantly new product in this area at the January show.

On one hand were those retailers who are very impressed by the new high-performance projection systems that premiered last year; on the other were those who thought "high-performance" an exaggeration.

"If I decided to go into projection tv, I'd take on the Panasonic unit," noted Video Technics' Nipper. "The large screen market is growing stronger all the time, and I'm getting more and more calls from people who are interested in it."

One dealer who was disappointed in current projection tv offerings was

technologically advanced ucts. A number of merch liked Sharp's dualvision tachi's picture-in-pic ceiver and Matsushita tion color tv set.

While Panasonic was showing a videodisc pla system—there was con about the emerging disc exhibit floor, at the vid in Las Vegas hospitalit

In fact, many retail enthused about the other video product.

"The most exciting balance of this year v player," stated Warre ager-television and ra dale's, New York. On tage of the disc over retailer, is the avail esting software. "This the problems with VO be extremely selectiv tles," Zorek said.

Disc show b

Remarked Video F "I'm more excited ab just about anything few MCA discs tha sumers who are in only for playing fil about disc playe

Personal electronics buyers reveal mixed feelings about product flood

LAS VEGAS—While an overall continually upbeat sentiment prevailed at the Winter CES here, personal electronics buyers showed varying degrees of enthusiasm for the rapidly expanding number of products in the category.

Assessments and developments varied not only for each of the segments—which include calculators, citizens band radio, computers, electronic watches, language translators, non-video (handheld and board) games, radar detectors, scanners, telephones and answerers—but even in many cases within each product category. Rarely was the retailer, let alone supplier, involved in all.

Productwise, there was a increasing trend, readily accepted by retailers, to make such devices even more “personal.” This was evidenced by thinner, or smaller and more attractive hardware, such as in calculators, scanners, watches (particularly ladies’) and telephone devices. Or more functional as in computers (and video games) that offer self improvement as well as management benefits, calculators with printers and games, even a cigaret lighter (Casio), cordless telephones, language translators (Craig).

Computers draw interest

Computers, certainly carrying the biggest ticket in the personal electronics field, ranked high in interest, but retailer commitments varied considerably. Telephones, games and related devices also rated high.

Enthusiastic about the potential for computers was Bruce W. Lerner, co-owner of Tri-Power Electronics, Salt Lake City, who claims to be the “biggest Apple dealer in Utah.” The store is adding other lines. “We’ve been into them about a year, and results have been excellent,” with sales about 50-50, between business and private customers, at an average systems price of \$2,000.

“Software is most important, and we can write programs.” He said the store gets some supplier help in sales training, “but most of it is in-house, with our tv or hifi salesmen. “We do quite a lot of advertising, on radio, tv and in newspapers.”

Lerner has also been into telephones, “with a full line of decorator phones,” about two months, and was looking at cordless models.

Alvin and Julie Jeweler, J&M Electronics, Annapolis, MD, do not handle watches as their name may suggest. But they are into computers, and they say it’s a growing factor in their store’s \$300,000 annual business. Since June 1, they reported selling 17 \$4,000 units to businesses and schools. But they also sold \$500 units to people “to play with”—about 14 or 15.

Handheld football and basketball games were also doing well for them. They also were selling telephones, but with less enthusiasm, saying “only the telephone companies are promoting.”

Inadequate margins

Michael Warman, owner of a Roslyn, NY electronics specialty store,

Technical Calculators, Inc., expressed some disappointment about computers.

Warman complained that profit margins of only 20-25% were inadequate, and pointed out, “It’s a hard sell. You have to teach people. You put in a lot of time. The consumer doesn’t want to spend up to \$4,000, even if he’s a businessman.” He also wanted to see more programs available.

Manufacturers, for their part, were seeking to broaden the market. Ohio Scientific introduced three “retail starter packages,” starting as low as \$349. VideoBrain, said to be disappointed in department store response, says it is strengthening its marketing strategy toward selected electronics and tv-appliance retailers. Apple Computer is actively seeking to broaden a current 450-retailer base with show seminars.

Phones rated highly

Although telephone devices, like computers, in the minds of some, were not taking off as rapidly as had been expected, they were rated highly by most retailers. The major complaints, particularly by specialty retailers, were over markups on decorator units and lack of sufficient manufacturer support to build public awareness.

Howard Bootroyd, president, Omega Communications, Bend, OR, the phone specialty store, noted a “lot of interest in automatic dialers and answerers,” but indicated he was focusing even more on such high-end



phenomenal—over 35% for the industry and over 100% for some companies.

"The companies growing the fastest are those most oriented toward the consumers' present major concern: Better sound, with durability and reliability also key factors. The customer is well-informed and quality conscious.

"Today we're looking at a potential market of cassette machine owners comprising around 30% of the households, of which slightly under 50% are active in the market as blank tape purchasers.

ued at \$600 or more. Median income in these households is \$23,350. We also know that 79% of the purchasers are male, that their average age is 30, 61% are college educated and 40% are college graduates.

"Two out of three of the people surveyed said they plan to purchase another component in the next 12 months. Thirty-two percent of these said they would buy tape equipment, another 20% would purchase speakers. Speakers, turntables and phono cartridges were the most likely components to be purchased as a repeat item

ing to several dealers in recent weeks. They mentioned that as outsiders viewing their own companies rather than insiders running them, they see things that disturb them and that they don't like. They say too many times they look into their own companies as strangers and see evidence of distortion of fact and even lying by their own sales force.

"Some of them say they would weed it out immediately but they don't know how. They have in fact acknowledged they've lost control over what really goes on all the time in all their stores around the country."

record changers used to make up 60% of that end of the business and it has turned around to where it's now 60% turntables. We're also seeing a revolution of record changing equipment with the advent of digital technology."

Oren: "We expect to be able to expand the high frequency response and reduce distortion levels with metal particle tape decks.

"We continue to see good strength in the open-reel tape market and this is an area that perhaps more dealers should be looking at. A lot of buyers are stepping up to reel-to-reel tape equipment."

Computer, video game conference

Panelists: Sy Lipper, APF Electronics, panel chairman; Bill Meserve, Arthur D. Little, Inc.; Phil Roybal, Apple Computer Inc.; Larry Castriotta, Team Central; Mal Kuhn, Mattel, Inc.; Ron Evans, National Semiconductor Corp.

Lipper: "The electronics industry has moved rapidly from the transistor to the integrated circuit to the microprocessor and in the process created entirely new markets. Sometimes, in our energetic and enthusiastic approach, we have over-estimated the size of the new marketplaces.

"The video and programmable microprocessor game sales have been on a roller coaster. The personal computer was touted as another area of sales that would quickly achieve mass market proportions. Has the enthusi-

asm of the industry been running ahead of itself? Perhaps. You're stepping into the future with a vast array of new products that will stem from this chip technology."

Meserve: "A clairvoyant's tip I got at the jai alai games showed a January 1980, Las Vegas dateline headline: 'Shakeout in the personal computer industry will not occur for another few months.' Let's test the reality of that clairvoyant headline.

"In 1979 we expect the total to reach some 400,000 units. In 1982 the industry will reach the magic \$1 billion mark at the manufacturer's level—excluding \$20 million in prepackaged software—with the consumer portion 20% of the total, and business and other (primarily professional user), 40% each. The future will be led by those who can and do make large

front-end investments to identify real market needs and to provide the combination of software."

Castriotta: "I think we can safely say the home computer is not yet a full-fledged retail business. That's not to say that we don't, at Team, sell a lot of computers. We do. But in the traditional sense of the word, it really is not yet a retail industry."

Kuhn: "Video games will eventually be absorbed by the home computer business. There's some truth to that simple statement. It's becoming apparent that is one of the directions that the application of microprocessor technology is taking.

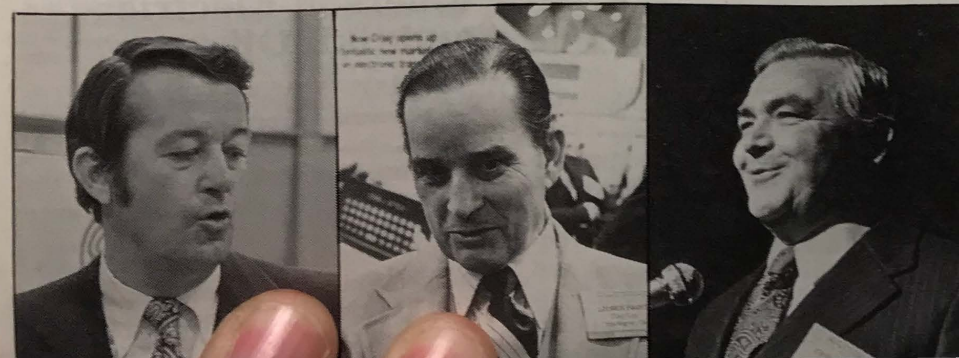
"I think the increase of the lower cost of memory gives us much greater flexibility as we start 1979. Our feeling at Mattel is that it is time to move from the arcade-environment type of

games—fast, action, excitement, a lot of fun in a short period of time—into much greater complexity of games.

"At Mattel we feel the way to make the home computer a usable piece of equipment in the home is the entertainment, self-improvement, self-education aspect, and we come back again to the software development."

Evans: "In calculators and watches, last year, and I think the next year, you're going to see a situation of relative stability. Calculator business appears to be maturing, and is a somewhat different market than it was a couple of years ago.

"In the watch area we see a period of exciting growth and one of relative price stability. In calculators, I think we saw pressure to increase prices. We see the same sort of thing happening in 1979. For retailers, this may present an opportunity for inventory appreciation instead of what happened (depreciation) a few years ago."



"Whether we like it or not, 85% of the sale depends on the guy behind the counter. And I can tell you that we've done some mystery shopping of stores that would turn you green. As a result, Craig plans to do a lot more product training in 1979."

Coleman: "I think I agree with Lauren Davies on just about everything he says. We need more highly trained salespeople. We've done some mystery shopping of our own and found poorly trained and misinformed

for the second time. He's more experienced, someone who understands and appreciates good sound, and we should cater to him a little differently.

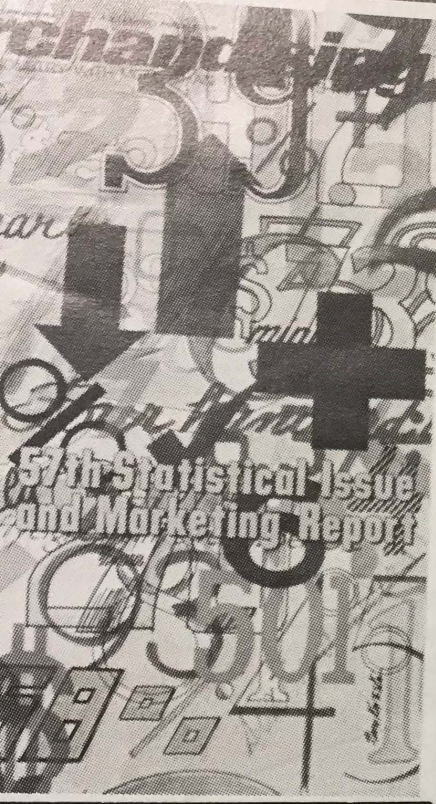
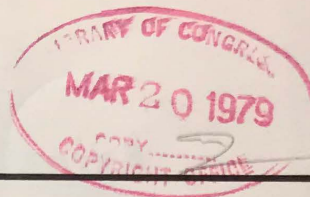
"Consumers will spend money for our products if they're convinced they're getting better sound. But we must do a better job of demonstrating the product."

RCA tabs \$2 million

inside **Merchandising**

FOR OVER 60,000 READERS, 51,000 RETAILERS
MARCH 1979

222-794



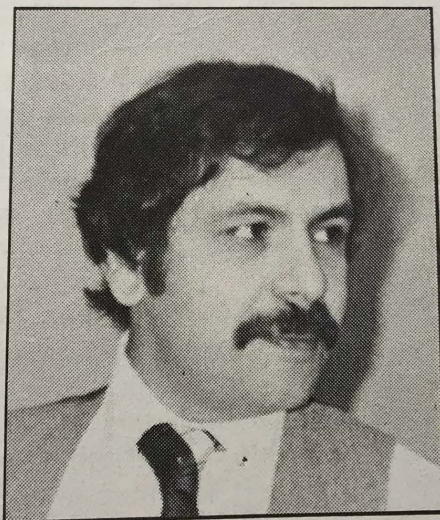
STATISTICAL ISSUE & MARKETING REPORT.....31-82

This is *Merchandising's* 57th annual Statistical Issue & Marketing Report to the industries involved in major appliance, home and auto electronics, audio/hifi/tape, personal electronics, electric and non-electric housewares products.

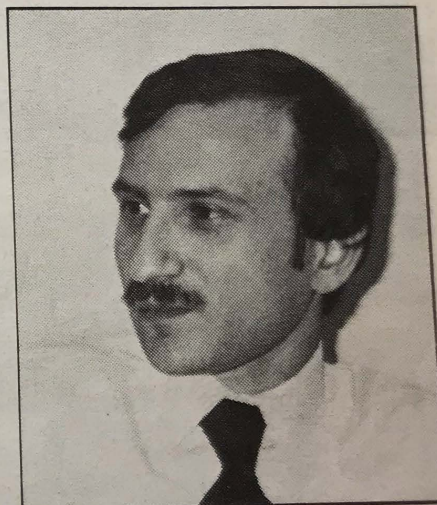
With the cooperation of industry leaders, new products which have recently entered the market have been tracked and charted; data on older products have been reported in greater detail.

This improved package of vital information is designed to provide a year-long tool for better marketing. Based on the statistical compilations of Sheila Ward, research director, the report also includes careful analyses of major product categories by editors Ron Schneiderman, Jane Wollman, Lois A. Panosh, Jack Blood and Jim Schneider.

FINANCIAL SCENE22-28



Hassenberg



Wruble

ysts have their own special at an industry. In this able, Brian Wruble, vice h Barney, Harris Upham & assenberg, Oppenheimer &, probe the year's prospects olance industry in a wide- n with Fred Gottesman, executive editor. Outlook: for retailers despite appar- manufacturers.

ON FILE21

n endangered species? This, essen- tion put to dealers nationwide in il Opinion File. And the findings are selling some of their biggest vol- than list.

s surveyed, 84% of dealers said they

PRERECORDED VIDEOCASSETTE REPORT96-97

Paramount Pictures Television is ready to move into the home video market; it has set up a home department to handle feature films produced and released by parent Paramount Pictures Corp. . . DuPont has launched a six-month test marketing in the metro New York area of its "Primetime" branded Beta format

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Many retailers, disappointed with tv games sales and profits—even at Christmastime—are withdrawing from this market. Among other factors, they cite price footbaling by discounters, the lengthy time needed to demonstrate the units and a high level of customer returns.

MERCHANDISING

NOCHURE

ume amounted to \$693,450,000 for portables, \$7,684,000 for consoles. In the previous period, retail value was recorded at \$640,338,000 and \$10,575,000, respectively.

Up from 1977's 225,000 units, sales of videocassette recorders rose to 402,000 units. Dollar sales, which were \$247,500,000 last year, increased to \$356,480,000.

Projection tv unit and dollar sales more than doubled in 1978. A total of 54,000 units were shipped to dealers vs. 20,000 in the prior period. Retail value came to \$124,200,000 compared to 1977's \$38,000,000.

The only home video category to show a downturn, tv game sales fell from last year's 5,175,000 units to 2,585,000. Likewise, dollar sales slid to \$163,075,000 from the previous \$248,625,000. •

Personal Electronics

Printer/display combination calculators, LCD digital watches and telephone answering machines provided the personal electronics industry with the most excitement last

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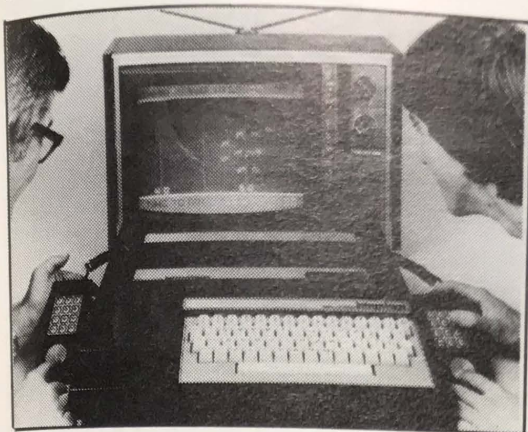
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Mattel Electronics



Mattel's "Intellivision"

HAWTHORNE, CA—Among Mat-
tel Electronics' latest entries is "Intel-
lvision," a home and game computer
system that combines sports action
game play with a variety of home en-
tertainment and computer capability.

The system's hardware includes a
master entertainment component
available now and a keyboard compo-
nent, coming soon. The entertainment
console contains a 16-bit micro-
processor and various interface chips
that provide for a 60 by 92 line graphic
configuration, a 16-color pallet and
three-part harmony musical syn-
thesis. Also included are two handheld
controllers that each feature a 12-
bubble button keyboard; 16 direction
object control disc and four action
buttons.

APF Electronics

NEW YORK—From APF Electron-
ics, Inc. comes a dual module home
computer system. The microprocessor
cartridge-activated home entertain-
ment unit is complemented by the
MPA-10 computer module.

Together the unit includes 57-key
typewriter style keyboard; expanded
BASIC language built into ROM; mu-
sical note generator; color graphics ca-
pability; outputs to standard color or
black-and-white television and a
standard tape deck built into the cabi-
net. It is expected that the unit will
sell for less than \$500.

APF Electronics Inc., 444 Madison
Ave., M, New York, NY 10022.

President

IRVINE, CA—President adds the
McKinley AM/SSB mobile CB with
volume and squelch controls; RF gain
control; mike gain control and clai-
rifier. In addition, the unit offers push-
button

The computer add-on module con-
sists of a typewriter keyboard; mag-
netic tape drive under microprocessor
control; microphone; memory and in-
terface chips. The software consists of
20 programs including "Networks"
such as sports, Las Vegas type games
of skill and financial services.

Mattel also adds six handheld elec-
tronic computer games in the form of
Football II; Baseball; Soccer;
Hockey; Horoscope Computer and
Brain Baffler.

Mattell Electronics, 5150 Rosecrans
Ave., M, Hawthorne, CA 90250.

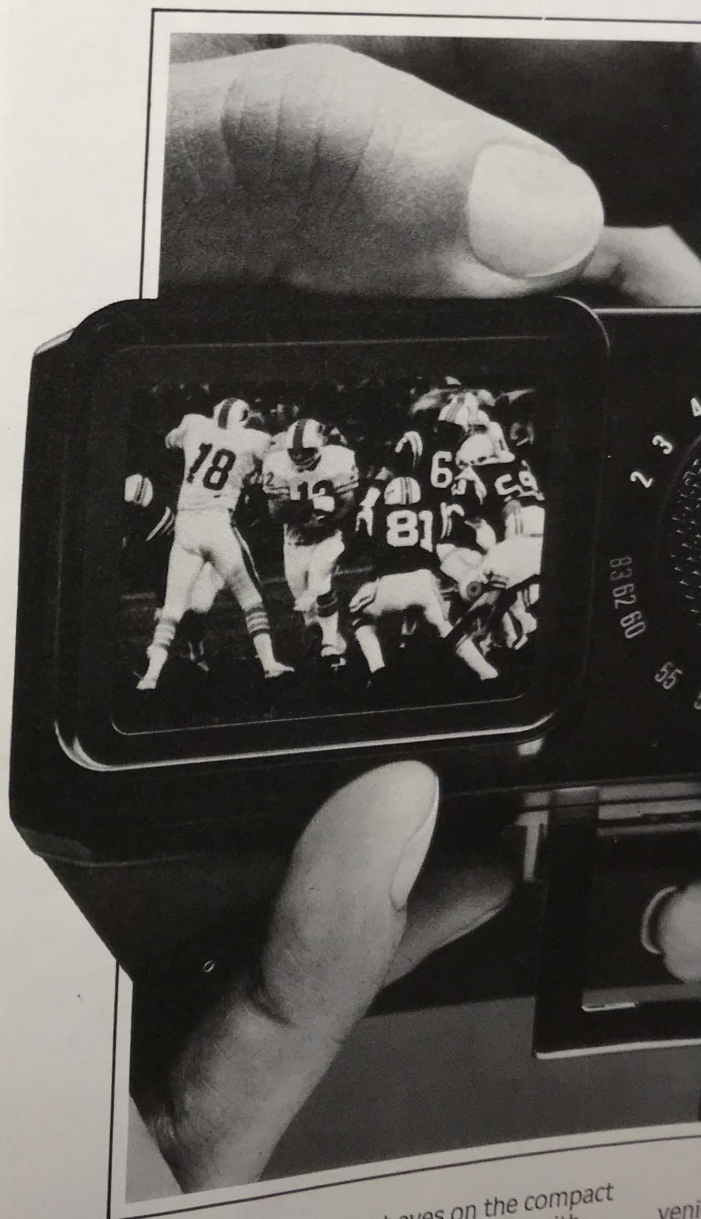
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TWINCH is here. Try ke



When you first set eyes on the compact
JVC TWINCH, the two-inch screen TV with
AM radio, you'll probably want to buy one

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companies would try to work out some sort of agreement on technology without any formal tie.

Jones told the audience of business and financial editors that GE's preliminary, unaudited results for 1978 were expected to show a 13% gain in earnings to \$1.23 billion on a sales increase of 12% to \$19.65 billion.

Fourth quarter profits were due to

Fairchild departs digital watch area

MOUNTAIN VIEW, CA—Fairchild Camera & Instrument Corp. has withdrawn from the digital watch business, according to Wilfred Corrigan, chairman and president.

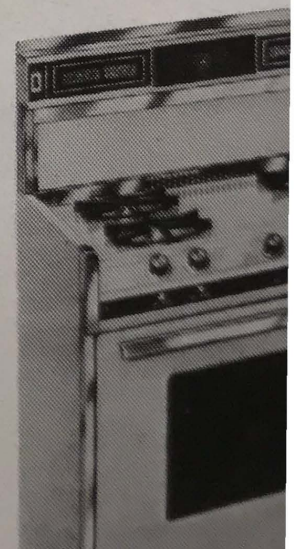
"The low profit margins and relative instability of the digital watch market are not compatible with Fairchild's long-range concentration in the high technology field," Corrigan noted.

Corrigan added, "Customer orders will be honored during the phase-out period and Fairchild will continue to provide watch service and repair. We intend to maintain our microprocessor-based video games business, at a reduced level, as part of our digital equipment activity."

Scott & Fetzer puts two units into one

LAKEWOOD, OH—The Scott & Fetzer Co. has consolidated two operating divisions—Cardinal and Klevac—into

**ELECTRIC RANGE
30" MODEL FEAT
"CONVECTION C**
Bakes and roasts
at regular temper
tested for safety
special fan circula
over and around
offer attractive fe
self-cleaning (py
continuous-clear
porcelain ename
portable warming
exhaust systems
plug-in units; and
ceramic cooking



AHAM cancels March membership meeting

CHICAGO—The Assn. of Home Appliance Manufacturers has called off the membership meeting scheduled for March 21-24 at the Innsbrook Hotel, Tarpon Springs, FL, citing "economic reasons."

Hand-held electronic toys new from Atari

NEW YORK—Atari, Inc., subsidiary of Warner Communications Inc., has entered the non-video hand-held electronic toy market with "Touch Me." This new hand-held toy combines three games in one, can be used by one or more players and is for ages seven to adult. The game has a digital display scoreboard.

Touch Me will be part of the new electronic toys and games division of Atari to be headed by Dean Gavin, director of sales and marketing, reporting to Raymond Kassar, Atari president.

MARCH, 1979

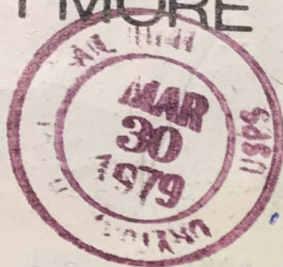
A BILLBOARD PUBLICATION

APRIL 1979

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Handising

WITH MORE THAN TODAY ON ITS MIND



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Maxi-Miser II F40 lamps and
Maxi-Miser II ballast in a
part two-lamp fluorescent
will average up to 24% more
watt than standard F40
and use as much as 19%
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C

shoppers, chain retailers, fast-minute-
approaching fast.

Another product to see heightened promotion is telephones, with Mother's Day just a month away.

So far this year, buyers are noting disappointing telephone merchandisers succeeding, including telephone boutiques, indicate that the decorator units are moving the fastest. Word of mouth has helped phone sales. Once an unknown tele-tivity in the marketplace, phones are becoming a well-known gift possibility. Those department stores re-

Those department stores reporting good phone business display them alongside answerers, dialers and other accessories. Some have geared business toward the commercial market, with one retailer reporting 30 combination answerers/telephones sold to a local businessman.

The Toy Fair last month heralded exciting things to come for the non-video electronics game industry.

Milton Bradley, for instance, introduced a programmable game, with several cartridges; Parker Brothers displayed its first non-video entry, a pinball-type game, along with an electronic board game and Coleco added sports units, in which more than one person can play at the same time.

In general, the stress was on electronics at the Toy Fair, with handheld units touted as not only a holiday seller, but year-round mover.

So, as spring moves into full gear, so do personal electronics retailers. They'll especially be pushing mini-card calculators and non-video games till Mother's Day rolls around, with the hype then moving to digital watches.

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Retailers anticipate steady demand for tape recordings spurred by the networking battle that is pitting high-interest programs against one another. Most networks' February time of major audience had, for instance, bloomed with "With the Wind," "O Cuckoo's Nest" and "The Merchant of Venice" simultaneously.

Many merchants that highlighted the time-slot conflicts, broadcasts of the series "Roots," the record winner. As one buyer resulting sales: "We

Present plans call for promotion at retail programming then price advertising and offers.

Healthy hardware rally impacted on the market, now in the throes of a difficult situation. Several suppliers, who announce they are not yet in the field, are not yet in the field, dealers say, they are likely to see higher prices for some time available.

In the prerecorded music category, although more retailers are embracing the format, they are doing so reluctantly. While offerings are date specific, they are not televised from time to time, and requests have percolated in the field.

Also, retailers
corded continue

Merchandising

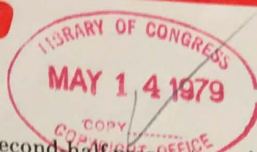
AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

MAY '79
FOR OVER 60,000 READERS
51,000 RETAILERS

Long Open-to-buy at CES
Merchandising
WITH MORE THAN TODAY ON ITS MIND

MAJOR APPLIANCE, ELECTRONICS
FORECAST '79:

FORECAST '79



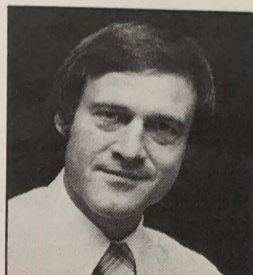
If retailers wish to see where their best second-half prospects are in major appliances, electric & non-electric housewares and home & auto electronics, they need look no farther than *Merchandising's* fifth annual Statistical & Marketing Forecast. Despite some current dire predictions, our charts say cleanup and refrigeration appliances are headed for their second-best year since 1973's peak; microwave ovens are due for a 12% rise. In hifi, components and tape decks should each register an 8% gain. VTR, blank and prerecorded videotape are expected to jump 44%, 70% and 59%, respectively. Read the details carefully, there are pockets of profit everywhere.

RETAIL OPINION FILE

17



Home video hardware and software topped the list when *Merchandising* asked retailers across the country what products they'd be looking for at the Consumer Electronics Show in Chicago next month. Actually, 61% of the dealers responding to this month's Retail Opinion File poll told us they'd be seeking VTRs. And an equal percentage will be in the market for compact stereos. But what about hifi, autosound, calculators and games?



Robert Ulrich

turns in dressed than in dishwashers.

There are exceptions, however, and one of the more noteworthy ones is Dayton's of Minneapolis.

This CLOSEUP by *Merchandising's* Minneapolis correspondent Irene Clepper details how Dayton's is aggressively—and profitably—bucking what senior vice president Robert Ulrich calls the trend to "soft goods department stores."

18

TRENDINGS

8

- Major appliance sales continue to be upbeat as independents, particularly, seem to pick up market share.
- The outlook for hand-held games, LCD watches and mini-card calculators shows promise, buyers say.
- Sharp pricing, national promos help color tv sales maintain their strong, steady pace.
- Pre-CES, stores of all types expect compact audio systems to be a most exciting product category.
- Colorful non-electric housewares promos to enliven scene from Mother's Day to Memorial Day.
- Many buyers single out food processors, as basics continue to hold center stage in electric housewares.

RECORDED CASSETTE

HAPPENINGS

- **AT GAMA:** Gas grills are on way to another peak year. Too strict energy rules may be counter-productive.....67
- **PULSE:** Mass merchandisers, specialists outperform other telephone retailers.....71
- Supermax returns to Gillette fold.....72
- **AT NARDA:** Dealers bent on improving internal controls, productivity.....73
- **AT NATM:** Buying group flexes muscles at annual conclave.....76
- **PULSE:** New, more sophisticated products seen revitalizing home security business at department stores.....78

67

FROM THE CAPITAL



4

Trade shows organized for a single retailer come under FTC's fire.

PERSONNEL

53

PRODUCT PICTURE

Electronics	54-61
Major Appliances	62-63
Housewares	64-65

Coming in June!

Merchandising's giant Summer CES package includes:

- ★ Key audio, video, personal electronics suppliers tell what's in store for the second half.
- ★ Editors analyze retail outlook in expanded Trendings columns.
- ★ Showcase of electronic products.

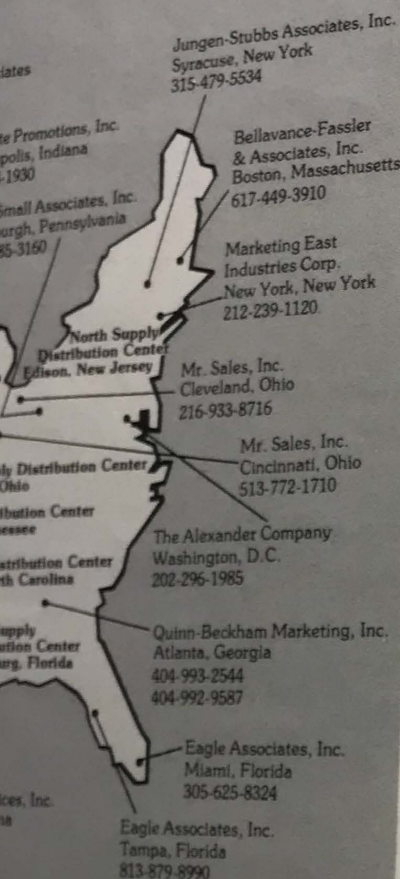
Midwest Regional Office: 150 North Wacker Drive,
Chicago, Ill. 60606
(312) 236-9818

Sheila Ward
764-7332

George Stevens
9000 Sunset

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the other...
(a) Personal computers (b) band radios (c) Non-video games d LCD digital watches or (e) Mini-card calculators.
If you guessed letter "b", go to the head of the class—citizens band radios have been floundering at retail while the other four show signs of growth for the remainder of the year.
Looking ahead to the June CES,



phones
supply.

ITT Telecommunications,
Northern Telecom, Stromberg
Carlson and other

ing customer confusion over band frequencies, lack of manufacturer support and limited technological advances on the horizon.

Individual CB merchants who have not abandoned the marketplace altogether (many simply leave CBs on the shelf to sell by themselves) have found success with price promotions on the mid-to-high-end. There is limited activity at the lower price points.

Also, a profit-builder for some CB merchandisers has been the accessory business with step-up customers buying improved antennas and other hardware.

Personal computers have seen limited exposure so far at most retail outlets, but many buyers, nevertheless, are planning to stock them in the near future.

They eye more entertainment-oriented software this June and lower tags on the hardware.

There have been great strides in this market achieved by the large, nationwide electronic chains who promote heavily, hire competent and knowledgeable salespeople, aim at both the general consumer and small businessman and offer clinics, classes and demonstrations of the product.

May and June will also see heavier emphasis on three gift-giving specialties — non-video games, LCD watches and mini-card calculators.

Non-video games are still primarily in the domain of mass merchandiser toy departments, but many hifi and specialty dealers are becoming aggressive in this area as well.

For Father's Day promotions, buyers indicate strong pushes in the \$30-\$50 price range on most of the sports games.

Chronograph, stopwatch and dual time-zone features are highlighted by watch buyers this month.

Here too, there will be quite a few price-oriented ads, with watches originally as high as \$250 being sold at \$200 and less.

For Mother's Day, watch merchants are counting on the slimmer-styled ladies versions, with features secondary. There will even be some leftover LEDs surfacing in the below \$20 range.

And, the biggest gift item of all, say personal electronics buyers, is the mini-card or credit-card sized calculator.

on in...
off," commented a midwestern...
Indeed, volume is very likely to...
crease as a result of income tax...
funds expected by most consumers...
Also, many owners of tube-type...
are predicted to enter the market...
troubled, in many instances, by...
problems brought on by warm, humid...
weather's effect on the sets' old...
chassis.

Retailers are looking forward to bulk of manufacturers' new line reductions this month, prices on are anticipated to show increase

Videotape

Early in the game, portable units are proving to be popular sellers, retailers report. supply is limited, many merchants plan to promote these models the month as consumers head for doors. So far, much interest has shown in modular models that feature attachable tuner/timers.

Recent VTR action across the country was termed "good" by most merchants, who note that lower compared to last year were partly responsible for the sales upturn. nice steady day-to-day business marked one dealer.

Retailers look to the recent production of Sony's 4½-hour unit followed by Zenith's and other marketers who have adopted the Betamax, to further stimulate the market. Four-hour VHS marketers, they predict, should react with a flurry of promotional activity. Things will likely pick up in late summer when a tape that allows six hours' recording time on a four-hour machine is expected from VHS-system marketers as RCA's Betasonic and Quasar.

The variety of prerecorded offerings continues to expand to include vintage tv shows, how-to programs and music series in addition to a wider selection of feature films. However, many merchants who still believe price tags on tapes will limit the market, refuse to enter the category. A number of libraries, "based on the notion that most consumers are interested in prerecorded mainly for party entertainment or other specific events."

Projection TV

When many merchants plan to test the projection market, they are looking for a...
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TV Games

Tv game cartridges are also building traffic for brown goods retailers. Several dealers say some game owners regularly return to their stores at least once a month to purchase latest software introductions. Merchants note that recent price stability and the suspension of most new game console introductions during the season have made consumers confident that current models will not quickly become obsolete.

Some retailers, discouraged by the games' seasonality and low profit potential, say they will drop out of the business once current stock is moved out. Several indicate they will switch to the hot area of hand-held games, if only for promotional tie-ins. •

Trendings

...in Video Entertainment

New from **ZENITH**

CHROMATEN

Indoor Antenna
for Color, Monochrome
and FM Stereo.



closeup:

An 'old fashioned' department store Dayton's makes hard goods pay off big

Dayton's of Minneapolis has an old-fashioned idea about department stores: That they should be department stores, able to supply the customer's needs in one-stop shopping. "If we start cutting off segments of merchandise," says Robert Ulrich, Dayton's recently named senior vice president-stores and formerly vice president and general merchandise manager-home furnishings, "we're not sure where the customer is going to stop shopping."

To keep Dayton's a full-line department store, the Minneapolis-based chain is successfully bucking the trend to "soft goods department stores" by aggressively asserting itself in hard goods.

Dayton's track record is impressive: It is far-and-away the consensus leader in television sales; number 2 in white goods share of market, and moving up; firmly ranked among the area's top five hifi retailers; and has designated housewares to be such a priority growth area that the Ridgedale store, just built in 1974, is having its housewares department completely remodeled for "greater shopping excitement and a wider display of sophisticated gourmet cookware."

Sending people to other places to shop is not Dayton's idea of how to succeed in business. As William Martineau, divisional merchandise manager, home entertainment and housewares, phrases it: "We don't want to break the customer's shopping pattern."

"Toys are a good example of a category that is not big profit," Ulrich observes. "Some department stores choose to build up the department only seasonally. We do not. The department not only continues strongly throughout the year, but is recognized for the innovative promotions it stages."

"In a total shopping concept, one area helps another," Martineau adds. "Big ticket—tv, stereo, major appliances—is a complement; it helps develop traffic."

Convenience is an essential factor for today's shopper, Ulrich points out. "With more and more working-couple families, it is becoming increasingly difficult to find time for shopping. We must make it as convenient for them as possible. For example, a customer wants to come into the furniture area and find everything she's shopping for, not just upholstered furniture. Some stores downplay broadloom; we feel that we must offer whatever the customer seeks. We look at the whole package."

Acknowledging that many department stores have trimmed back to only the most profitable departments, Ulrich states Dayton's opposite position:

"A major reason for keeping hard goods and merchandising them in imaginative and aggressive ways is a cost factor. There are variable costs. Even though, from the standpoint of net profit, a department may only break even, it is doing two things: It is contributing to paying the over-all costs of doing business—salaries, real estate, the distribution center, to name a few—and it is contributing to store traffic, to the volume of sales in other departments."

Dayton's, however, is far from indifferent about departmental profits. Martineau explains that one way potential losses are minimized is by selling merchandise with higher markups. This is not only better from the store's point of view, he notes, but more importantly, from the customer's point of view as well. The extra features and benefits to the customer are what makes for satisfaction. "We want to sell the customer a product that he will be happy with. The high-feature product meets that goal," he notes.

The multi-featured, high-quality product does not sell itself. It requires professional selling by qualified specialists, Ulrich and Martineau agree.

As Ulrich emphasizes, "We are making every effort to approach these various markets as the specialty store would, such as in hifi with trained audio specialists."

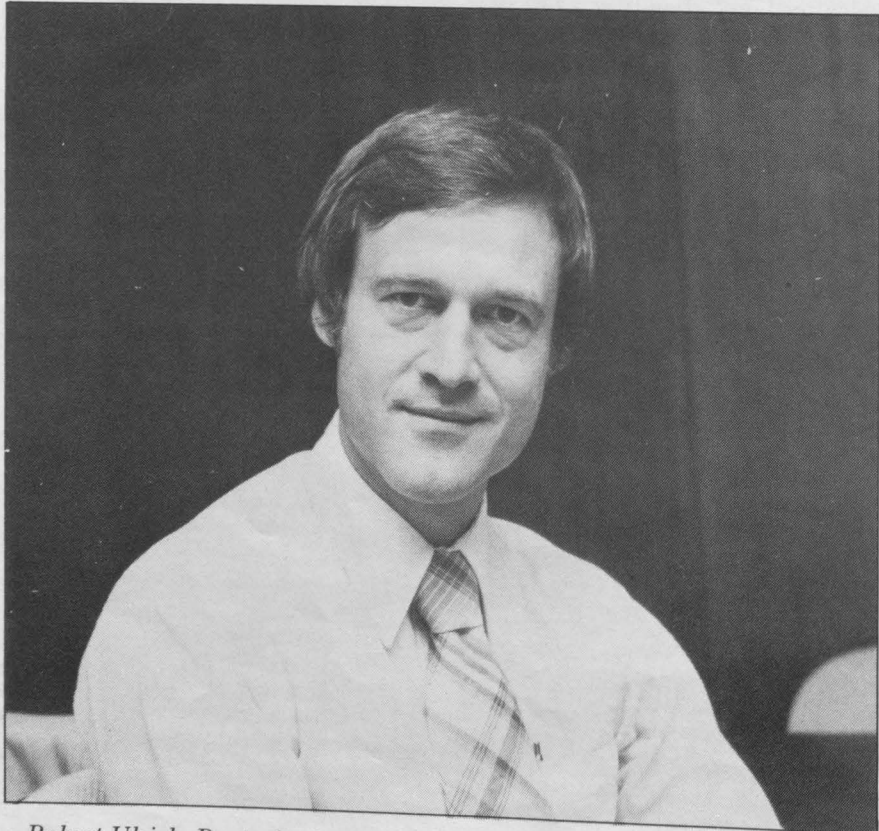
Martineau details this: "Sales programs are implemented by a profes-

sional sales management team. Each store in my big-ticket division has a sales manager. He really implements, measures selling programs to assure that we are accomplishing our high-featured sales objectives."

The customer is "much happier with a product that has such special features as tv with electronic tuning," Martineau says. "We make sure that the salesman doesn't take the course of least resistance and sell the cheaper product. If he does, sure as hell, back it comes! If the product does all the things and has all the things the customer wants, he's pleased. He thinks appreciatively of the product and the store. The consumer can readily afford the product with better features. He is driving a car with luxury extras. He lives in a house that's worth \$75,000 to \$100,000."

Ulrich defines Dayton's customers as "upscale, concerned with his home environment."

While the Dayton's customer is "upscale," there is no narrow age limitation. The consumer may have "arrived" or just be "on the way up" to success. Martineau and Ulrich agree that audio products, for instance, appeal to a wide age spread. Console stereo is a negligible part of their market. The audio customer wants components. It's a special market. The salesman can't sell it as he would console stereo—"here's a nice cabinet that will fit in with the rest of your furniture."



Robert Ulrich, Dayton's vice president and general merchandise manager-home furnishings at the time of this interview, has just been promoted to senior vice president-stores.

The customer may or may not be conversant with the language of components, Martineau notes. The best salesman is the one who has information and the ability to transmit it to those who speak the language and to translate it to those who don't.

Dayton's has given its sound department a separate identity—"Sound-track." Each store has a sound room, with a wide assortment of product and salespeople ready to demonstrate them.

"We spend a lot of time training the staff to help customers decide what is right for them," Martineau says. "We have initial training classes. (We usually do better taking someone without a hifi sales background; then we don't have to correct others' mistakes.) We also have product knowledge classes on a weekly basis; training in selling techniques; and continuous training of a refresher type."

Salespeople learn to counsel customers in terms of (1) size of the room where components will be located and (2) what a customer actually expects in sound quality. "There are speakers that perform better in the high range and those that perform better in the bass tones," Martineau notes. "The customer has to listen, to make the right decisions."

When it comes to over-all sound quality, "we start out by having the customer listen to low-fi, then to our very high end—the \$1,300 system. There is, of course, an incredible difference in sound. Most customers settle somewhere between the two. The \$600 system is our most popular price point. Sixty to 70% of the people who buy it had no intention of spending that much, but when they compare sound quality, they choose this system."

Plus sales in audio are important. "This is rudimentary," Martineau says. "Most families should have headphones—I'd say 70% should have. They'll end up buying them later, if they don't get them with the system. The salesman should sell them with the set. The same goes for cassette decks—which provide as many hours as the customer wants of the music he wants to hear."

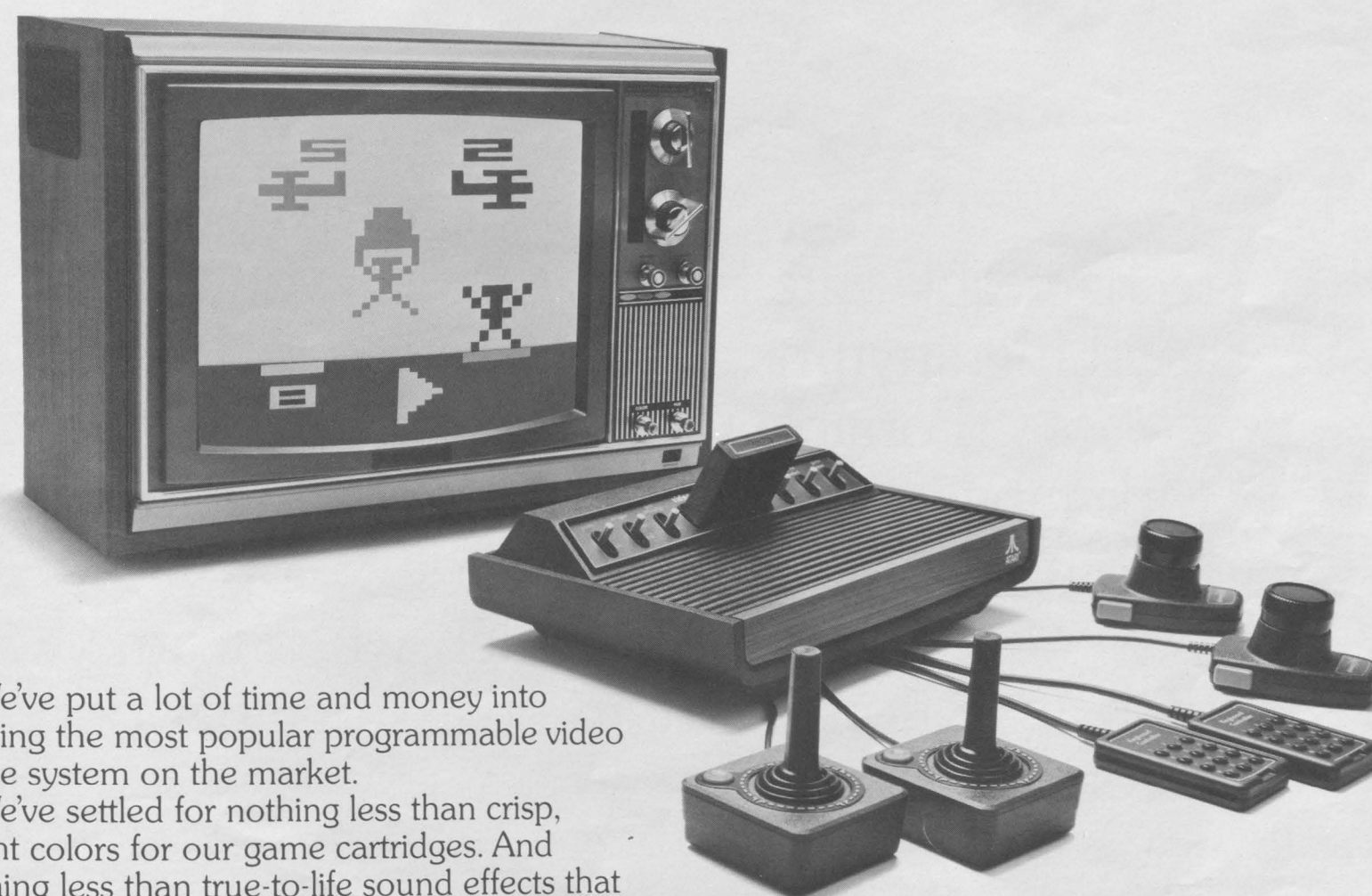
Dayton's stages at least one big hifi event annually. In addition, there are clinics in all the stores, where component suppliers are represented and customers can ask questions and have their turntables checked, free of charge.

The major event is held in the 12,000-sq.-ft. auditorium in the downtown Minneapolis store. More extensive displays can be set up in this spacious area. Last year, two cars were driven into the auditorium so that customers could experience car stereo in operation.

MERCHANDISING

Atari outsells all other brands combined.

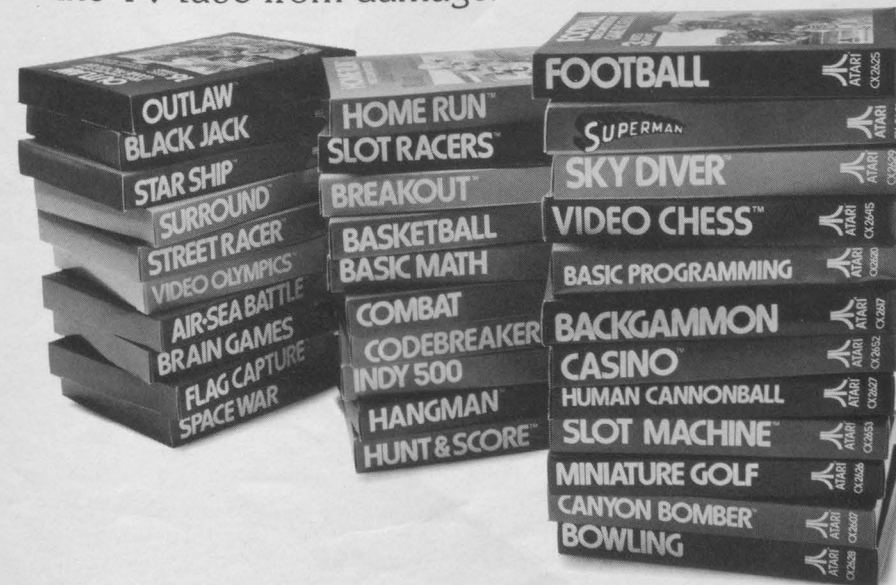
Source: 1979 Vantage Research Market Study on programmable video games



We've put a lot of time and money into making the most popular programmable video game system on the market.

We've settled for nothing less than crisp, bright colors for our game cartridges. And nothing less than true-to-life sound effects that play off the television's sound system.

We've especially designed the Atari Video Computer System™ to change colors to protect the TV tube from damage.



We have a wider variety of cartridges than anybody.

In fact, we've already introduced eight new cartridges this year. *Football* and *Sky Diver*™ are sure to be two of the most popular.

And by summer we'll release four more blockbusters—*Superman**, *BASIC Programming*, *Video Chess*™ and *Backgammon*—to bring our total to 32 cartridges.

All good reasons why Atari is clobbering the competition.

Stock the No. 1 programmable video game system.

You can't lose.



Atari, Inc.
1265 Borregas Ave.
Sunnyvale, Calif. 94086
(800) 538-8547

*SUPERMAN is the trademark of DC Comics, Inc., 1979. Used with permission.

color tv sales should continue strong through June, a predicted softening economy in the second half of the year will cause sales to fall below 1978's all-time record. *Merchandising* is forecasting a 6% drop from units to 9,625,000.

Volume will be reduced, both domestic and foreign manufacturers are expected to institute small price hikes during the year, because of continuing inflationary pressures. On top of this, Orderly Marketing Agreements with Taiwan and Korea, limiting the number of imports into the U.S.—most often marketed as "value" models—will also limit these countries' penetrating price hikes added staying power.

Japanese manufacturers have begun to enter the market in this country, the same cost-cutting domestic manufacturers will also need to move toward higher pricing, and previous sharp pricing is expected.

Consoles slip vs. portables

Television following the same trend as color tv—becoming more of a commodity for economical and practical sized sets is evidenced by console models' continued shrinkage. This is shown in the 9% drop in sales of console and combination color models, 2,385,000 units vs. 2,618,000, compared to slide for portable and table models, 7,240,000.

Of the second- and third-set market is expected for the popularity of smaller screen models, 12- and 13-in. models, forecast to 1,234,000.

Noted, consumers are increasingly turning to color tv, value is increasing. Thus, the growing popularity of color featuring electronic timing, as well as remote control. According to *Merchandising*, color is expected to rise 11% from 1,464,000 units to 1,624,000. Factors responsible for the increase in color: Electronic tuning has increased

remote's reliability; convenience—not need for consumers to pre-set the remote feature; availability of direct-access channel selection and the patchwork of changing tv programming that has viewers channel hopping make remote more desirable.

Monochrome sales to slide

Like color tv, total monochrome sales volume is forecast to drop from last year's level. Projections call for a 7% decrease from 6,064,000 units to 5,645,000.

Today's best profit opportunity in black-and-white lies in battery-operated and/or mini-combination models, which feature such added functions as AM-FM radio, cassette tape recording, digital clock or weather band. Our forecast shows a 10% increase in sales of mini units, from 300,000 units to 330,000.

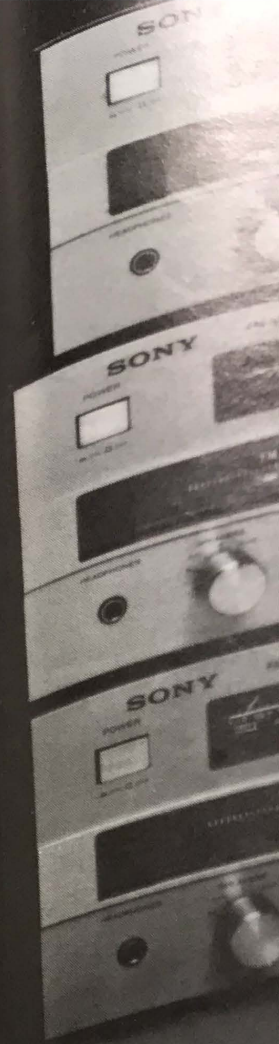
All battery-operated b&w models are expected to jump 8% in sales, moving from 1,123,000 units to 1,210,000.

Projection tv up 46%

Projection tv is anticipated to rise 46% over last year's sales, to total 79,000 units vs. 54,000. Expanded distribution and stepped-up advertising and promotion are largely responsible for the expected increase in high performance models. However, because of continuing high price tags, the market for these systems will remain limited. Smaller 50-in. models, utilizing less space in the home, and the rising popularity of video recording, are two factors contributing to the growing interest in projection.

Lower priced, less sophisticated big-screen color systems will maintain their market share during the year; pricing on these units should remain at current levels.

The tv game will continue its evolution in 1979, with computer capability making programmables vs. dedicated chip models the growth area. Programmable sales will rise 19% this year to 935,000 units as opposed to dedicated chip models, seen dropping 16% to 1,515,000. Programmables, as well as hand-held non-video games are, increasingly, stealing the spotlight from dedicated chip ball-and-paddle tv games.



Sony
Some
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© 1978, Sony Inc.

and added varieties, helped by chronographs and stopwatch features, are forecast for a 24% hike while the women's versions, in sleeker cases and improved styles, are due for a hefty 60% increase.

The LED segment, continuing its downfall because of past problems with battery life and service, has a 44% drop in store this year. Both men's and women's versions are in for sizable drops.

Games and computers

This is the first year-round period for non-video electronic games and producers eye a 100% increase in sales to 7,350,000 units, compared with 3,680,000 models in 1978.

With new suppliers in the fray, technological advances and manufacturer and retailer promotion, the non-video arena will be an exciting one, particularly when November and December roll around.

The personal computer is another relative newcomer to the electronics industry, and 1979 will see sales of 500,000 units, compared with 212,000 models in 1978, a substantial 135% hike.

Just now entering many traditional retailers' mixes, personal computers will also be helped by manufacturer campaigns and an overall consumer awareness of the product.

Telephones and detectors

Retail sales of telephones, helped by a continuing consumer education program, are in for a 108% increase, with the advanced electronic category leading the way. Telephone answering devices are due for a 23% hike.

Radar detectors are projected to hit 986,000 units this year, a 16% jump. Detectors are now legal in most states and should see wider distribution this year.

And, lastly, citizens band radios are projected for a 32% drop in sales, with the product continuing to lose momentum from its glory years. This is primarily due to customer dissatisfaction of many ma-

POLL: WHAT'S HOT FOR NHMA

Merchandise Week

A BILLBOARD PUBLICATION

JUNE 1979 \$10

Merchandising

INDUSTRY WITH MORE THAN TODAY ON ITS MIND



Retailers of the projection tv business this year, spurred by new introductions and heavier manufacturer promotions they feel will stimulate the market.

Some dealers, previously opting to stay out of projection tv until the market developed, are now giving it "a serious look." Most see the bulk of sales in one-piece high-performance systems, and the more a unit resembles a big tv set, the greater consumer interest, they say.

Two factors favorably influencing projection tv sales this year: The gasoline pinch causing consumers to seek home-oriented entertainment and the videocassette recorder, purchase of which often also generates projection sales.

Dealers, however, plan to keep a lean inventory in projection tv systems through the rest of the year. For many, it's still one-to-show and one-to-go.

Biggest obstacles to market growth, say retailers, remain "bulky" configuration and market-limiting high prices.

TV Games

Continuing consumer demand for sophisticated programmable tv games is expected by retailers but who now regard dedicate chip "ball and paddle" units as strictly toy

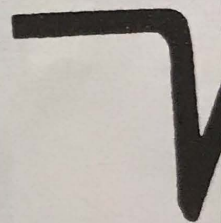
JUNE, 1979

Muntz is making the America today — giant homes, offices and businesses.

And Muntz is the manufacturer which offers mounts in either combination two-piece models. 50 inches diagonal screen than a 25 inch screen than a 15 inch screen.

But, then, there is a diagonal screen which of our giant 50 inch

EXCLUSIVE TERRITORY



GIANT SCREEN
7700 Densmore Avenue

department merchandise.

Games' seasonality remains a major source of conflict in this category, and many merchants are undecided whether to reinvest in them. Some are considering stocking games only for the Christmas season, yet feel participation in the market in such a limited fashion is not the best plan either. Citing price erosion, at least one buyer calls tv games "a dangerous classification."

Some independent dealers, disenchanted with dwindling profit margins, are now carrying tv games—usually only one line—just as a customer "courtesy."

Time-consuming demonstrations of video games—when they could be selling a color tv instead—also continues to irritate retailers. One dealer has solved this problem, he claims, by having his teenage son, game whiz and part-time employee, explain the units.

Trendings

...in Video Entertainment

Many retailers are excited about Mattel's new sophisticated programmable game and eagerly await delivery. They feel that the higher price tag on this unit vs. those currently on the market is a comparable outlay, considering inflation, to initial programmable prices two years ago. Consumer resistance should not be a problem,

they stress.

Retailers say they are disappointed at other game manufacturers who have failed to ship new cartridges during the first half of the year. "They have lost credibility," says one peeved dealer. "They promise to deliver new cartridges but all they deliver are new promises."

GIANT Retail Profits

MUNTZ Giant

Atari outsells all other brands combined.

Source: 1979 Vantage Research Market Study on programmable video games

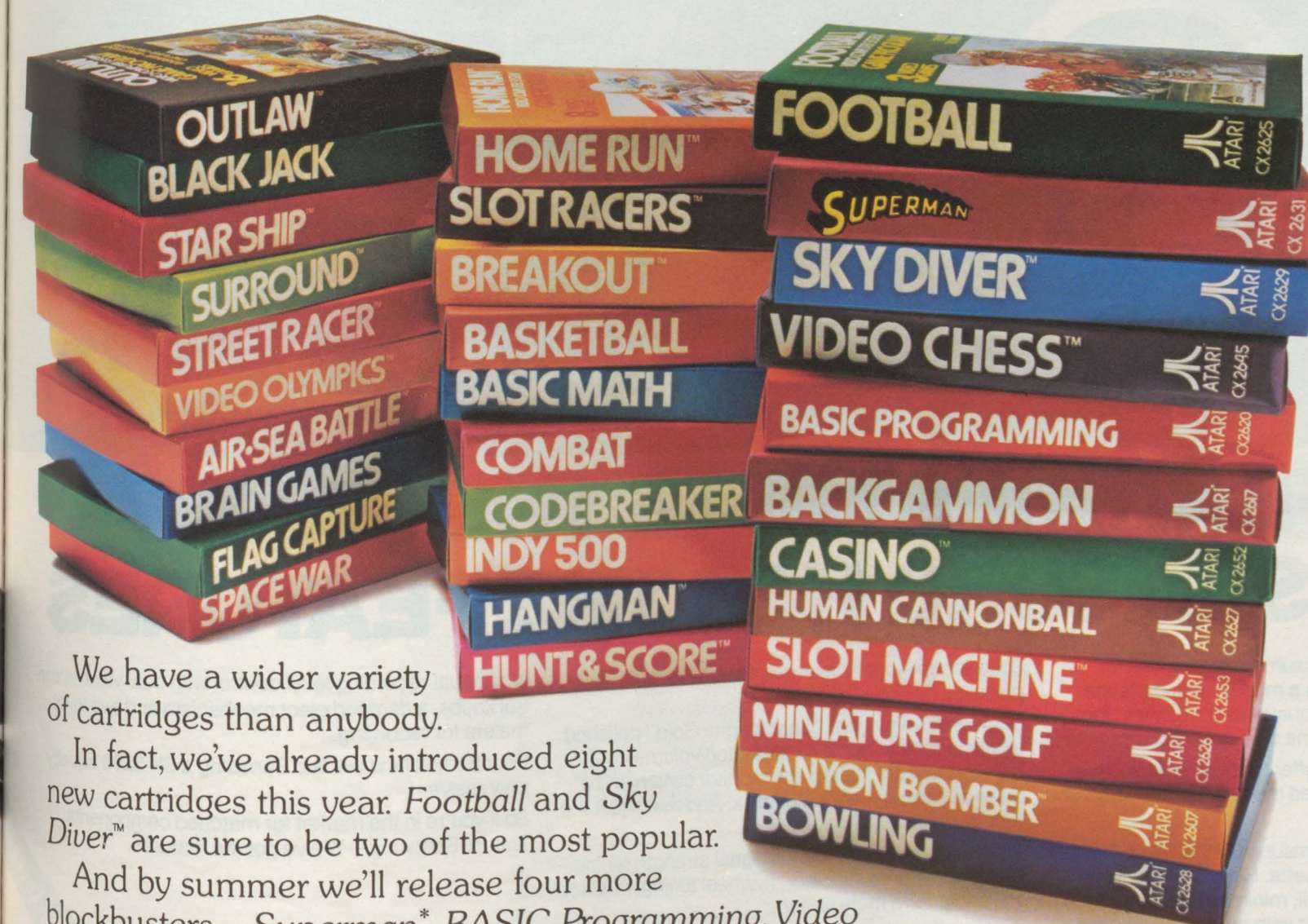


We've put a lot of time and money into making the most popular programmable video game system on the market.

We've settled for nothing less than crisp, bright colors for our game cartridges. And nothing less than true-to-life sound effects that play off the television's sound system.

We've especially designed the Atari Video Computer System™ to change colors to protect the TV tube from damage.

*SUPERMAN is the trademark of DC Comics, Inc., 1979. Used with permission.



We have a wider variety of cartridges than anybody.

In fact, we've already introduced eight new cartridges this year. *Football* and *Sky Diver*™ are sure to be two of the most popular.

And by summer we'll release four more blockbusters — *Superman**, *BASIC Programming*, *Video Chess*™ and *Backgammon* — to bring our total to 32 cartridges.

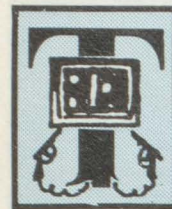
All good reasons why Atari is clobbering the competition. Stock the No. 1 programmable video game system.

You can't lose.



Atari, Inc.
1265 Borregas Ave.
Sunnyvale, Calif. 94086
(800) 538-8547

Overviews



V Games

The outlook is for a healthy second half in programmable tv games, a market expected to remain strong despite anticipated competition from home computers. The "ball-and-paddle" dedicated chip game business, however, will decline further, as deep price erosion and competition from increasingly popular non-video hand-held games continue to cut into sales.

Prices on programmables are tabbed to drop over the next few months, and

this, coupled with limited availability of home computers, should result in a slight sales increase over 1978, to 700,000-850,000 units. And a variety of cartridge introductions will mean continued growth in programmable software sales.

Atari's Don Kingsborough, director of sales and marketing, sees total sales coming in at about 850,000 units. "Prices will fall this year to about \$150 due to breakthroughs in manufacturing and reduced chip costs," he says. "Home computers will be sold out the first week in June; and with the price of programmables dropping, computers will have an insignificant effect on game sales."

Atari is introducing new software selections this month, featuring a "Superman" game, and

will start shipping its instructional BASIC computer programming cartridge in July. The firm plans to beef up its advertising this year to include a heavier network tv schedule, totaling 80% of its broadcast budget. In 1978, Atari laid out \$5 million on television advertising.

Kingsborough sees dedicated chip game sales sliding 40% or more in the second half. "They're no longer profitable to manufacture, and retailers got burned on them—price erosion just killed them. Generally, the dedicated chip game business has left people with a bad taste in their mouths."

Mattel Electronics expects its "IntelliVision" game component to be available in the third quarter of the year; the keyboard add-on, giving the unit computer capability, will follow

this winter.

Mal Kuhn, director of sales, believes that if there is sufficient home computer availability this year, "computers will eat very heavily into the programmable game business despite the pricing differential." Kuhn says Mattel aims "to garner the cream of video game customers" with its \$240-\$260 unit.

"Programmable game sales will equal last year's business, if," predicts Kuhn, "there is limited supply of computers. Even so, programmables won't grow as rapidly as they had now that computers are becoming available. If games are going to survive, they will have to have lower selling prices—but this won't happen in 1979," he declares.

Mattel will back its "IntelliVision" introduction with a heavy national tv and print ad campaign, according to Kuhn.

As for dedicated chip games, Kuhn sees "hand-helds killing the business. Those sold at Christmas will be under \$20. Dedicated chip units will be around, but they won't be heavily promoted," he adds.

This year's shakeout in the programmable games market, which has Fairchild, RCA, Coleco and Bally essentially out of the business, has brought considerable stability to the field. Says Kenneth Ingram, senior vice president, Magnavox: "A few suppliers who aren't dumping is vastly different from several manufacturers who are dumping on the marketplace in an effort to survive."

Ingram looks for "a lot of activity in high-end games—really low-end computers. We're very optimistic." He sees total programmable sales in the 700,000-800,000 unit range.

One reason Ingram feels confident home computers will have little, if any, effect on programmable sales, is the ongoing introduction of new game software.

At its recent sales meeting, Magnavox premiered seven new carts, including "Take the Money and Run," "Space Invaders," and "Computer Intro."

The wider variety of software now available has dramatically changed the demographic profile of video games' purchasers, according to recent research conducted by Atari.

Says Kingsborough: "Last year, 82% of consumers buying programmable games were single males 18-35 years old. In 1979, almost 50% of purchasers are women; and 72% of all consumers buying games are married, aged 18-45, with two or more children."

The debut of family-type games, like chess and backgammon, compared to military-oriented games, such as air or sea battles, which previously constituted the bulk of offerings, accounts for the big shift in demographics, according to Kingsborough.

Looking beyond this year, the executive sees 1980 as "the apex year for programmables." Why? "Retail prices will have dropped and new software will be added to appeal to additional segments of the market. This will expand distribution to different types of retailers and in turn, increase video games' exposure."

Come next January, Atari plans to introduce "Bullfight," "Boxing," "Steeple Chase," "Horse Racing," and possibly some well-known board games, which the firm will not yet identify. (Go directly—electronically—to jail?)

MERCHANDISING



950-523



The sales and profit potential for Zenith TV and audio accessories is growing too fast for you to treat as step-children.

Especially when they're branded with one of the oldest and most respected names in consumer electronics.

That's why we have designed this life-size, life-like, self-standing, full-color display.

You bet you can cash-in on these profitable accessory sales with the same successful merchandising techniques ordinarily reserved for your big-ticket products.

And the margins are so-o-o much more worthwhile.

Ask your Zenith distributor. He has a display for you just like the one shown here. A package deal that will pay for itself in a matter of weeks.

Along with each of these point-of-purchase beauties, you will also receive three separate

posters — one featuring Chromatenna II outdoor antennas, another, Zenith 8-track and cassette tapes, and the third, Zenith headphones and audio accessories.

With this kind of flexibility, you've got yourself a year-around display you can easily change to suit the season or your merchandising plans.

Call your Zenith distributor so you can light up your Zenith accessory business faster, better and at less cost than any salesman you've ever had!

Stand this life-size display on your floor

and she'll light up your

Zenith accessory business better than any salesman you've ever had.



Zenith Radio Corporation / Service, Parts & Accessories Division / 11000 Seymour Avenue / Franklin Park, Illinois 60131

Panasonic lets you see the world through your ears.



Command Series...the International Band Radios.

With the Panasonic Command Series™ International Band Radios, you'll command a view of the world—right from your home. Flip the switch. Turn the dial. And you can get China or Chile. In seconds. One moment you'll be hearing a command performance from the British stage on the BBC. The next, you'll be hearing about the latest commands from behind the Iron Curtain. And if you want, you can gain a better command of a foreign language.

The Panasonic Command Series RF-2900 (shown) gives you full command of the air waves. Because it has fluorescent all-band readout. It's accurate to within 1 kHz. That makes it super easy to find international and domestic short-wave transmissions. Plus SSB (single sideband) amateur radio, Morse communications, 40 channel CB and, of course, AM/FM.

The RF-2900 also has such features as a double

superheterodyne system for very clear and stable reception. Short-wave reception from 3.2 MHz to 30 MHz. On 3 bands. Standby tuning that lets you tune in a station even before it's broadcasting. Plus a 4" PM dynamic speaker. Separate bass and treble controls.

The Command Series. Panasonic's International Band Radios that let you see the world through your ears.

*Short-wave reception will vary with antenna, weather conditions, operator's geographic location and other factors. An outside antenna may be required for maximum short-wave reception.



Fluorescent all-band readout.

Panasonic
just slightly ahead of our time.

year overall. Morse is having notable success however, Sherman says, with its expanding line of jukebox-like disco consoles. "We started with a 22-in. carryout console and expanded

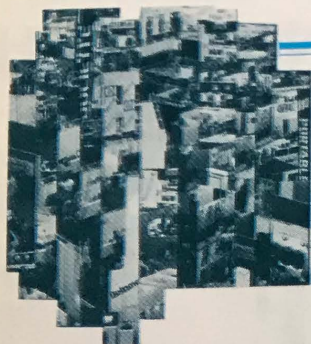
why someone else should get that business, particularly if it relates closely to their own markets.

This has become particularly true in the tape field with TDK Electronics, Maxell and others entering and then

a series of new products by the company in the record care market.

Most suppliers agree that the reason for so much interest and activity in the record care market is the growing con-

specifically for the new videocassette systems. These include bulk erasers, tape cleaners and cleaning elements for the tape machines.



Non-Video Games

Non-video hand-held games are expected to score many sales touchdowns during 1979's last six months.

With widened consumer appeal, stable prices and more sophisticated features and applications, non-video games are predicted to continue their strong momentum through December.

"Just look at the positives," says George Ditomassi, Milton Bradley's senior vice president-marketing.

"There is still a wide appeal for the games and I don't look for any price deterioration at all. The demand has continued to increase, even during the slow winter months. I'm very optimistic," he adds.

Milton Bradley's top goal scorer is Microvision, a programmable hand-held game. In time, Ditomassi sees this configuration as the number one variety of game on the market.

Another prime selling point to hand-held game suppliers will be the Head-to-Head Action, as Coleco terms its new football game. It can be played by one player against the computer, or by two players, against each other.

"I still maintain that the sports games are the most popular and we're trying to make them more inter-

"I don't look for any price deterioration at all. The demand has continued to increase, even during the slow winter months."

active," Arnold Greenberg, president of Coleco, declares.

"We will be offering a tv campaign and point-of-purchase materials, especially around Christmas time. The only cloud on the horizon may be the availability of products. They just keep selling," Greenberg notes.

One of the high spots that may counteract availability problems is the growing number of producers in the arena. Such newcomers as Atari with its Touch Me game and Selchow & Righter with its first assortment may put more products on the shelves.

Overviews: Personal Electronics

"We have studied American leisuretime trends and attitudes and have found that the increase in free time has made people more selective. They want to be challenged by their games but they also want two other characteristics: Portability and flexibility of play," president Richard Selchow remarks.

Selchow & Righter plans to devote some 40% of its \$2.5 million advertising and public relations budget to its electronic word game.

Eight different word and strategy games, in which the participant opposes another player or the unit's built-in computer, is Mattel's newest product, according to Tim Huber, marketing director. The model is expected to retail around \$45.

Prices, in general, are centered around the \$40 mark, and suppliers are confident that there will be little price resistance come fourth quarter.

However, some producers, especially those in the sophisticated chess and backgammon domains, are charging more and getting their price.

"Chafitz will be showing its Boris chess games, with updated software. Our prices may be higher than most of the other games, but products are moving," Sue Gomberg, assistant to the president, states.

Chafitz also shows its first backgam-

mon game with a famous expert demonstrating it at its booth.

And, one of the major manufacturers, Parker Brothers, plans to promote its Wildfire pinball game through 1979. The entire advertising and promotion budgets are up about 30% over last year.

"The overwhelming consumer response to electronic toys and games means sure growth for this infant segment of the toy industry," Randolph Barton, Parker Brothers president, sums up.



Personal Computers

From the small businessman to the home user—that's the transition top personal computer manufacturers will be shooting for during the second half of 1979.

Armed with lower-priced and less confusing hardware and more general and entertainment-oriented software, producers will be expanding their retail distribution to hit hardest at the general consumer population.

About 50-60% of Apple Computer Inc.'s sales are now for small business

→
MERCHANDISING

Overviews

or professional applications. However, there's definitely increasing interest in home use.

"Store traffic is up around the country as far as personal computers are concerned. The neophyte level person is becoming more interested. Initially, it was only the trend-setter who came looking, now it's his neighbor," Gene Carter, vice president-marketing, Apple, says.

Apple will continue to expand its retail coverage, and in fact, recently held a seminar in Chicago for audio dealers, by invitation only. Houston is the next stop. In all, Apple expects to hit 23 cities over the next three months in an effort to bring more dealers on board.

Mattel's Ed Krakauer, senior vice president, also indicates that a retail education program is his company's main priority.

"There is enormous confusion out there. Retailers are still in a searching

"Store traffic is up around the country. . . . The neophyte level person is becoming more interested."

process. They're still stocking some of the programmable video games and have not yet made the transition to

personal computers. At Christmas-time, I look for more retailers, including some of the large chains like Penneys, Sears and Wards, to carry computers," Krakauer adds.

Mattel is backing its personal computer products with a heavy advertising campaign as well as a training and demonstration program so that "consumers can see just what a personal computer can do," according to Krakauer.

As to hardware and software introductions and developments, there will be some new offerings by APF, Ohio Scientific and Atari.

"We are introducing a new personal computer this month and see the mar-

ket moving upward," Howard Boilen, executive vice president, APF Electronics, remarks.

"Everybody, both computer specialists and department stores, are becoming more interested in personal computers each day. It's up to the manufacturers to press our cause and literally force them to carry the product lines," Boilen declares.

Ohio Scientific will debut three new computers, including a business and personal unit. Mego is also reported to have a new entry this month.

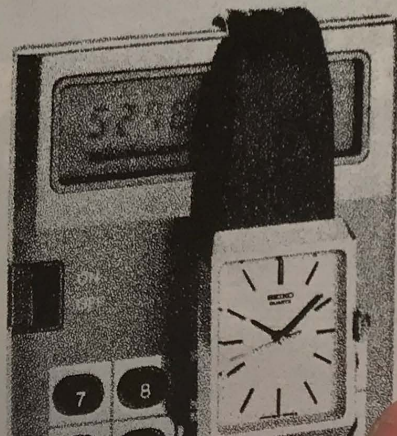
And two of the giant forces in the market, Radio Shack and Texas Instruments, will be active over the next six months as well.

Radio Shack's parent company, Tandy Corp., plans to introduce a unit aimed at the small business market. The electronics chain will continue to stress its lower-priced computers at its stores, with ongoing demonstrations and clinics.

And, Texas Instruments, struggling with the FCC over approval for its systems, is eyeing a broad market for its machines, according to a spokesman.

The company's line is reported to include products from \$300-\$5,000, with the former hooking to a home tv set.

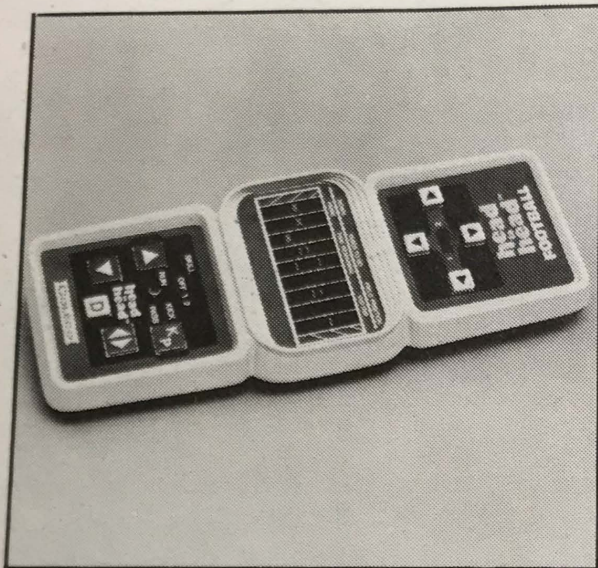
As Atari—this fall introducing a slew of software programs—notes, "We have designed home computers that can be easily handled and operated by the average consumer. Both the hardware and the software have been designed with the practical requirements of ordinary people in mind."



You could be
selling Maxell
batteries
right now.

Product Picture *Person*

Coleco



Head To Head football by Coleco

NEW YORK—Coleco Industries, Inc.'s Head to Head electronic football non-video game can be played by one player, against the computer, or by two players, against each other.

Features include running, kicking, passing and blocking options. The offense is fully controllable, runs power plays, draws sweeps and can change the play at the line of scrimmage. At the same time, the defense moves to tackle or intercept with the fully controllable free safety. It sells for \$34.95.

Coleco Industries, Inc., 200 Fifth Ave., M, New York, NY 10010.

NDI

TORRANCE, CA—NDI highlights a new 40-channel AM CB radio with

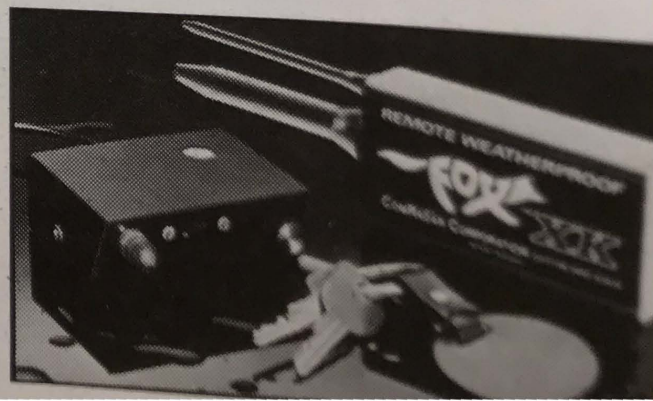
Casio

FAIRFIELD, NJ—Casio, Inc. introduces 12 calculators highlighted by model ML-720 Music Card, retailing for \$29.95.

The unit features 8-digit LCD display; 4-functions; independent memory; percent; square root and automatic power-off capabilities. The unit also sounds an 11-note musical scale when the individual keys are touched. Casio's Melody-80, previously introduced, is the step-up model to the ML-720.

Casio also introduces model HL-800 4-function LCD calculator at \$10.95; the LC-315 8-digit, 4-function LCD unit with a wallet/notebook-type case for \$14.95; the LC-791 LCD vertical credit-card-type calculator at \$19.95; the PW-80 Pocket Watch serving as timer with two alarms and a stop watch for \$29.95; the JL-810 desktop model for \$29.95; the HR-120 LC hand-held printer/display calculator.

ComRadar Corp.



Magnavox



Magnavox' 8252

FORT WAYNE, IN—Magnavox' portable videocassette recording system, model 8252, offers a master control center that features electronic touch-tuning for selecting any UHF or VHF channel.

The user can program tv channels in his area and then touch-tune directly to any desired station. The recording unit may be detached from the control center for remote video recording purposes using an optional battery. The all-electronic timer may be set to start/stop recording at specific times within a 24-hour period.

Also new is the 8251, again using the record/playback unit connected to it. It offers four hours on a single cassette and has an electronic timer to preset recording times for predetermined times within a 24-hour period.

Magnavox also adds two top-of-the-line 25-in. "Super Sound" television receivers, models 5054 and 5056, with separate audio amplifiers with 12

tronic tuning in 84% of the line; offered voice/music controls on most 25-in. units; added cable-ready color tv capabilities and featured new control panel cosmetics on all 19-in. and most 25-in. models.

Also, seven new action and brain testing games have been added to the Odyssey home video game line including: "Take the money and run," computer intro, orbiting math game, space invaders, electronic pinball, gunfight and electronic battle charge.

Magnavox, 1700 Magnavox Way, M, Fort Wayne, IN 46804.

Zenith

GLENVIEW, ILL.—Zenith introduces a video cassette recorder that will offer up to 10 hours of time using an optional cassette or five hours of time with a standard cassette. Introduced this

The Video cassette recorder has a remote control, speed search, and a timer to run through a tape at speed to find a scene; pause; three-

claim

An Easy

Respecta

For years we've been

traffic. J
another

Product Picture V

Atari

SUNNYVALE, CA—Atari offers a new programmable tv game cartridge, "Superman," called a technological breakthrough by the company.

Priced at \$24.95, the cartridge gives the user a chance to be Superman and wage war against criminals.

Atari will begin shipping its Basic computer programming cartridge, at \$39.95, in July.

Atari, Inc., 1265 Borregas Ave., M, Sunnyvale, CA 94086.

Sanyo Electric

COMPTON, CA—Sanyo Inc. debuts a 13-in. color with one-button automatic tuning at \$299.95.

Model 31C30 features the video "Phase Detector" and circuitry, which eliminates the old discrete circuitry shielding and additional parts. Features include Surface Wave filter; keyed automatic control; noise cancellation

COME SEE THE
SELECTRA—THE REMOTE
CONTROLLERS—PRESENT
BOOTH 1734
ELECTRONICS

g Week

Merchandising

JULY 1979 \$10.

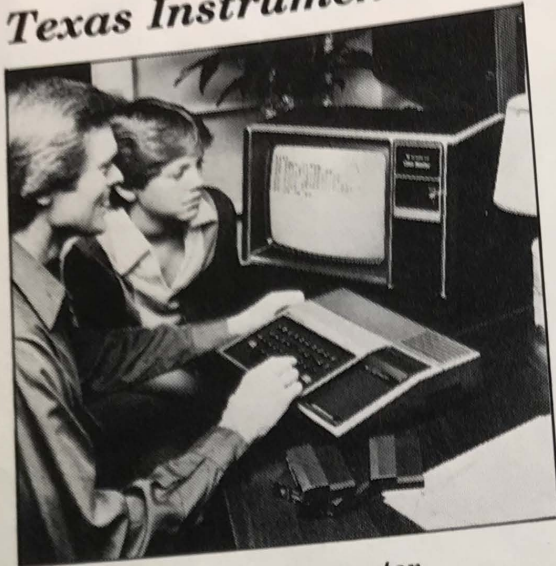
STORY WITH MORE THAN 700 ON ITS MIND

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able



Product Picture *Elect*

Texas Instruments



TI's new computer

LUBBOCK, TX—Texas Instruments Inc. enters the personal computer market with the TI-99/4 using solid-state software command modules as ready-made computer programs.

The system consists of a console with 16K random-access memory; a wide range of sound effects; 16 colors for graphic display; extended BASIC programming language and a 13-in. color video monitor.

The system retails at \$1,150 with modules selling from \$19.95 to \$69.95.

TI also exhibits super thin digital watches for men and women, watches for women and alarms and sports watches designed for joggers.

Texas Instruments, Inc., P.O. Box 53, M, Lubbock, TX 79408.

Garrard

PLAINVIEW, NY—Plessey Consumer Products offers six new Garrard turntables, two upgraded models in an existing series and four in the new "Advance Design Group."

The new "Advance Design Group"

Zenith

GLENVIEW, IL—There are 6 models in Zenith's 1980 line of color sets, from 13-to 25-in. varieties.

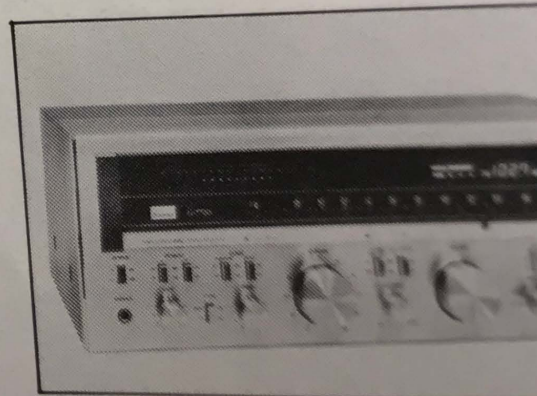
Highlighted features include a new computer-based Space Command system and Keyboard Touch-Command both of which use a microprocessor program all UHF and VHF channels cable-ready channel tuning; Electronic Power Sentry system of voltage regulation and improved audio capability.

Thirty-six units are System 3 models featuring the Triple-Plus module chassis; Tri-Focus 100-degree in-line picture tube and Color Sentry automatic color control.

The five models in the 23-in. size category feature the Titan chassis; Chromacolor 90-degree picture tube; Electronic Video Guard tuning is included in 48 units.

Forty-two percent of the line Space Command remote control 18 models offering Computer Space Command with Zoom, featuring a board-addressed hand transmitter. The remaining four sets have Space Command 800.

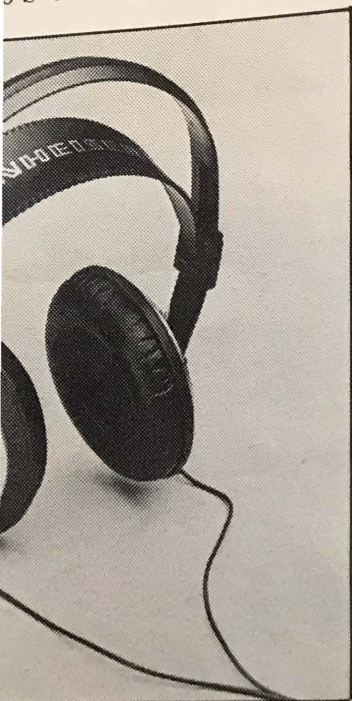
Sansui Electronics



Sansui's model G-77

LYNDHURST, NJ—Sansui Electronics Corp.

new... conventional materials
harmonic distortion level
earlier models.
0's also have an Open-



Heiser headphones

combined with circum-

19, the headphones have
of 600 ohms per channel
ic distortion of less than

Electronics Corp., 10 W.
New York, NY 10018.

Koss stereophone

APF Electronics

NEW YORK—The Imagination Machine from APF Electronics Inc. for \$499 includes color graphics and expandable options.

Standard features include 10K ROM and 9K RAM memory; type-writer-type keyboard; 53 keys with shifted "BASIC Keywords" button; two game-style controllers; 32 characters by 16 lines screen format; six function built-in cassette tape deck; digital and audio information record/playback; built-in microphone jack; cartridge connector plus an Internal Operating System and BASIC Interpreter.

The Imagination Machine also has a built-in music synthesizer with a range of three octaves including sharps and flats.

Expandable options include low cost printers, floppy disks, word processing capabilities, expandable RAM



APF's Imagination Machine

plus coupler modems.

APF also adds six new calculators including a credit card sized LCD clock unit; a 4-key memory LCD model; a clock/alarm, stop watch model; a 4-key memory vertical credit card sized unit; a 256 step-programmable printer and a printer display.

APF Electronics, Inc., 444 Madison Ave., M, New York, NY 10022.

NEW YORK
line, Samsung
premieres a
touch tuning
trol.

Features of
automatic fine
slotted mask
tube and hidden

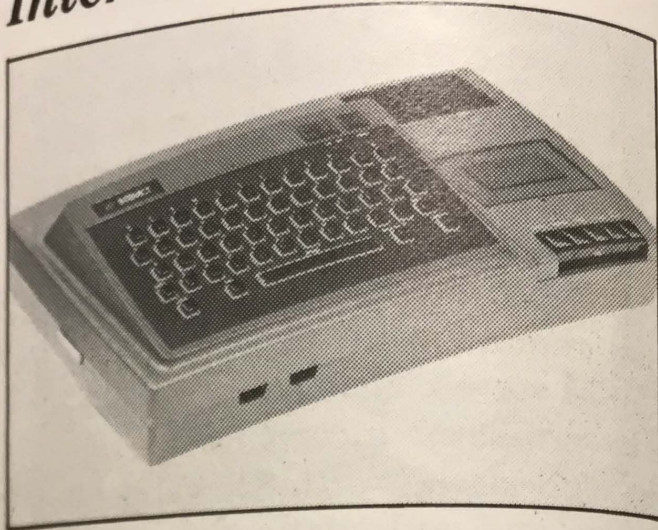
In addition
two 13-in. color
trol; a 5-in. bl
FM radio, cas
combination;
color portable
portable unit
set with AM
and-white tv
and-white set

In its aud
adds four rec
cassette rec
tem; two cas
in-dash uni
and a clock

Samsung
Park Ave.,

dislodged microphone from the record groove. It sells for less than \$8.
Audio Kare, 155 Michael Dr., M. Syosset, NY 11791.

Interact Electronics



Interact's Benchmark

ANN ARBOR, MI—Interact Electronics' Model One Benchmark, at \$449.95, has a full-size keyboard, built-in cassette deck, television connector cable and RF switchbox.

It also comes with an Edu-Basic Program tape rather than a Level II Program tape. Peripheral interface, raised keyboard, entertainment controllers and additional program tapes are options.

Interact Electronics, Inc., P.O. Box 8140, M, Ann Arbor, MI 48107.

Wharfedale

ELMWOOD PARK, NJ—From Wharfedale/Rank Hi Fi, Inc. comes the E-90 speakers with the ability to handle as much as 280 watts, a frequency response that extends from 43-18,000 Hz plus or minus 3dB and a high efficiency rating of 95dB/W/m.

The E-90's use two very large 10-in. woofers and a 1/2-in. tweeter.

under the
because Mr. Wharfedale
into those areas that
You and your children
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is an extremely light

audits yers

age translators—TI's
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ell, its new "memory
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s sets attracted retailer
he booth of Fidelity
d Chafitz and the latter
d a computer backgam-

mon game—promoted by champion
Paul Magriel—and a modular chess
game that can be programmed to
match a player's level of skill.

Game availability problems

These talking chess sets are in the
\$300 range and set for September
availability. Indeed availability was
the major problem in the electronic
game area, where sales have the poten-
tial for doubling last year's million
units for hand-helds, as one source
noted, adding that chip supply short-
ages were holding things back.

As a result, buyers like Western
Auto's Barry Chenault were "looking
for sources who can deliver." He added
that suppliers like Milton Bradley,
whose plug-in module "Microvision"
games caught his interest, and Mattel's
sport games are on allocation.

In the home computer arena, Texas
Instrument's entry added excitement.
Also contributing were Ohio Scien-
tific—heretofore primarily a business-
oriented firm—with its first unit de-
signed for the home, APF Electronics
with its \$499 retail "Imagination Ma-
chine" which president Sy Lipper said
had mass merchandiser potential; and
the "VIP-II" from RCA's solid-state
division, lower priced and focused on a
broader market than its predecessor
"Hobbyist VIP-I".

This surge of activity was matched
by dealer interest: TI's unveiling of its
\$1150 system with keyboard and 13-in.
video monitor at its McCormick Place
booth drew the biggest crowds at the
show. Many of the retailers at the
show were "looking."

sitting on a box. o products coming a retailer would do he is truly a video-the early 80s it will

finite potential for VCRs a year espe- at the consumer to e in a different fash- he deck. There will arkets.

a great opportunity rket so it will reach I do not see either nning or losing. I do matter of standard-two formats existing

l in tv) is definitely ould like to offer the a strong enough de- the fact that the con- ed so favorably to the ing systems and other believe stereo sound ellent opportunity."

People who have been gnaVision videodisc in nto three categories: y it as a tool for their le who buy it as con- o look at it for business d the consumer—the ent. They are all well y affluent—median in- that of the median in- ta—the age range is 30-

s to these dealer accounts

have not appreciably changed. We do not view the player and the VCR as substitutive products. We view them as complementary. We believe that eventually the home will have both products. The disc has not affected our sales in VCRs to these accounts. There's of course a lot of interest in 'Jaws' and that type of film but there's also been a big interest in do-it-yourself programs.

"There'll be a few additional (test) markets in 1979 but we still intend to market nationally in 1980. We are not going to delay marketing because we are in a backorder position. We expect to see backorders for the foreseeable future—somewhere beyond 1980—because we have a new and exciting product.

"Definitely there will be at least one format. There is a possibility that two formats may exist but that depends on the investment that will be made in software. We see the possibility of two players out there in the long haul."

Rochlis: "The consumer has a negative mind set to the home computer. The first step is to design a product that recognizes that mind set. We realize that the consumer is not ready to embrace the home computer concept yet so we designed our product on a component basis. We will give the consumer the opportunity to buy into something at a lower price and then have the option to expand the system.

"We have eliminated the need for any computer knowledge. The consumer need only respond in her native

tongue.

"We have a very broad advertising program for consumers. We are planning a wide range of point-of-purchase material. We think the consumer will have 90% of her questions answered before she has to ask the salesman. It will be a several-year educational process for the consumer, but it has to be a partnership with the retailer. It is not a sale that can be made on a mass merchandising basis. It is a sale which will have to be nourished at the point of sale."

Kingsborough: Cartridges are taking the seasonality out of the video game business. Atari feels the dedicated market is there but it is a declining market and we don't know how long it will be there. In surveys we have conducted, we found the consumer really wants variety and the competitive advantage programmable games offer.

"When games first came out they were bought primarily by single males, 18-24 years old. Today, most purchasers are between 24-40 with three children, and it's an almost 50-50 split between men and women. The buying influence is a family decision now and since parents will be slightly older, in their 30's, the age has risen.

"We don't think the personal computer will affect the programmable video game. We think the personal computer will be bought initially by a different person. Down the road we'll have some price erosion in the programmable game market."

Jones: "Car stereo separates ac- count f total

Phone/Accessories

Panelists: *Tom Massey, general manager, Consumer Products Div., GTE Automatic Electric; Mel Lloyd, director of sales, Advanced Telephone Products Div., Northern Telecom Inc., and Dick Hillman, president, Phone-Mate Inc.*

Lloyd: "This year estimates of the retail telephone market will be 2.75 million sets—and almost double each year to 10 million by 1982. Where is this volume going to come from? There are 74 million households, 97% have phones and 98% of these are basic phones. There are 120 million residential phones, and installations increase 5% annually. There are 1.6 phones per household—40% have only 1; 41%, 2; and 19% 3 or more. 14 million added extension phones last year; that's anywhere from \$500 million to \$1 billion at retail. To get a share of this market it will take merchandising and display.

"It's going to grow. Word of mouth is helping. Surveys show that 14% of consumers want to own a phone. Millions own refrigerators in decorator colors, or a built-in stove, tv with a special styled cabinet—why not a decorator phone?"

Massey: "How do you market a mature commodity product through new channels of distribution to the consumer who is happy and contented with what he has? That's the question. "First

homely styled
walnut finish.

MAGNAVOX
QUALITY IN EVERY DETAIL

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thur Bazeley,

formerly personnel vice president, has been named vice president of administration; John Schill has been promoted to vice president and controller and Michael Zinck has been named director of national parts and service.

In Galesburg, Howard Dye, has been named vice president of refrigeration operations; Richare Minehart, vice president of purchasing and V.G. (Jack) Sharpe, vice president-engineering.

Atari programmable game price cut 8%

SUNNYVALE, CA—Atari Inc. has lowered the wholesale price on its programmable "Computer System" video game by 8%, effective June 1.

Down \$10, the unit now carries a suggested retail price of \$179.95.

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PITTSFIE
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Home Improvement Phenomenon

Merchandising Week

A GRALLA PUBLICATION

AUG. 1979

Merchandising

INDUSTRY WITH MORE THAN TODAY ON ITS MIND

**5th Annual Statistical
& Marketing Report**

ELECTRON

commitment. They just note that the gas supplies dwindle. They just note that the gas shortages are providing them with an excellent method for clearance sales.

But, what's been a boon to citizens band radio, may turn out to be a bust for radar detector sales.

With fewer travelers on the highways, radar detectors are in for a disappointing summer, say electronics buyers.

They are hopeful though that major suppliers will be counteracting this deficit by advising customers of a recent court decision challenging the reliability of police speed radar.

Electrolert, for instance, is running a major campaign for its Fuzzbuster unit, stressing the fact that radar is a "fallible tool."

Another product recently hit by price cutting has been the personal computer.

Radio Shack, for instance, has offered a price break of between \$100 to \$139 on its TRS-80 model, with the lowest-priced units now selling for \$499.

In addition, the chain is adding emphasis on its expanded library of software, with prices from \$4.95 to \$19.95.

And a recent Atari check/coupon promotion on its Video Computer System, in which consumers received rebates on game program cartridges, has also proved successful for retailers.

August is traditionally one of the most hectic months for calculator buyers as they begin their back-to-school promotions.

Early indications are that most retailers will be continuing their step-up plans, going from the lower-priced scientifics to the programmable units.

There has been a spate of new products from major manufacturers in this area with stress on improved cosmetics and features.

Advertising and promotional budgets should equal year-ago levels, with both print and tv receiving the lion's share of the budget.

1979 Electronics Statistical & Marketing

B&W TV

Total Factory Sales			
Type	1979*	1978*	% Change
B&W TV, Total	5,723	6,064	-6
Console & Combo	23	34	-32
Portable & Table	5,700	6,030	- 5
Battery-Powered	1,234	1,123	+ 10

* final 000's omitted

Sales by Type

Store Type
Appliance/tv Store
Catalog Chain
(Sears-type store)
Catalog Showroom
Department Store
Discount Store
Furniture Store
Other

the biggest increase, 5 points to a 17% share of market.

Whether projection tv ever becomes a mass market item—selling hundreds of thousands a year—is yet to be seen and changes in sales by type of outlet do little to help crystal-ball gazers. The video specialist is expected to inch ahead of the audio specialist—34% vs. 33%—but the former represents a 4-point gain, while the latter a 7-point drop. And the appliance/tv store is also projected for a 4-point increase. New to the chart are catalog showrooms and discounters, each of which claims a 1% share of market.

TV games

There will be few surprises in tv games projections for 1979: The category has been plagued by a high degree of seasonality, price instability, shortages at the worst times of year, as well as intense pressures from non-video games. In short, tv games overall are due for a 14% slide to 2,225,000 million units vs. 1978's 2,585,000. Also, programmables are scheduled for a 12% gain while non-programmables are said to be set for a 25% drop.

Videocassette recorders

Although the base is still small, gains are healthy in this category. Overall, VTR is pegged for a 40% increase this year, to 561,000 units. By format, Beta will show a 42% rise, compared to VHS's 38%, but the unit differential remains—178,000 units for Beta and 383,000 for VHS, up from 1978's 125,000 and 277,000 respectively.

While there is no comparability (there were no available figures in 1978), it is estimated that sale of portable VTRs will amount to 16,000 in 1979. This figure is almost sure to rise considerably in 1980, given the growing popularity of color video cameras. These are expected to show a hefty 180% jump to 42,000 units, while black-and-white versions are off 26%.

Blank, prerecorded tapes

As consumer interest in VTRs continues to grow, so does activity in both blank videotape and prerecorded videocassettes. Blank tape totals are expected to hit 8,657,000 units, up 57%, and prerecorded versions 1,600,000 for a 33% gain.

In the prerecorded category, noteworthy is the predicted 41% jump in non-X-rated, against "blue" tape's 30%. Expectations are for an even wider spread between the two as more family film titles come on the market.

Sales by Screen Size

Screen Size	1979	1978	% Change
Mini Combination Units	316	300	+ 5
9-in. & under	539	616	-12
12-in.	3,879	3,876	N.C.
13- & 15-in.	128	180	-29
16- & 17-in.	165	224	-26
18- & 19-in.	665	824	-19
22-in.	31	44	-29
Console & Combo	23	34	-32
Table and Portable	8	10	-20

Average

Screen Size
Mini Combination Units
9-in. & under
12-in.
13- & 15-in.
16- & 17-in.
18- & 19-in.
22-in. console & combo
22-in. table & portable

VTR & Accessories

Total Factory Sales			
Type	1979*	1978*	% Change
Videotape			
Recorders, Total	561	402	+ 40
Beta	178	125	+ 42
VHS	383	277	+ 38
Portable Units	16	—	
Stationary Decks	545	—	
Video Cameras, Total	76	61	+ 24
B&W	34	46	-26
Color	42	15	+ 180
Blank Videotape, Total	8,657	5,500	+ 57
Beta	4,143	3,000	+ 38
VHS	4,514	2,500	+ 80
Pre-Recorded Videotape,			
Total	1,600	1,200	+ 33
Non-X-Rated	550	390	+ 41
X-Rated	1,050	810	+ 30

* final 000's omitted

PreRecorded Video

Store Type
Appliance/tv Store
Audio/Hifi Specialist
Camera Store
Catalog Chain
(Sears-type store)
Catalog Showroom
Department Store
Discount Store
Film Processors
Mail Order
Record Store
Video Specialist
Other

Videotape Recorder Sales by Type of Outlet

% of Total		
Store Type	1979	1978
Appliance/TV Store	40	40
Audio/Hifi Specialist	10	10
Catalog Chain		
(Sears-type store)	4	3
Catalog Showroom	2	2
Department Store	16	20
Discount Store	12	10
Video Specialist	16	15
Other	0	—

Blank Videotape S

Store Type
Appliance/tv store
Audio/Hifi Specialist
Camera Store
Catalog Chain
(Sears-type store)
Catalog Showroom
Department Store
Discount Store
Film Processors
Record Store
Video Specialist
Other

Videotape Recorder Sales by Retail Price

Projection TV Sales by Retail Price Range

Price Range	% of Total	
	1979	1978
Under \$1,000	5	2
\$1,000-\$1,499	17	12
\$1,500-\$2,999	30	35
\$3,000-\$3,499	19	25
\$3,500-\$4,000	19	18
Over \$4,000	10	8

Projection TV Sales by Type of Outlet

Store Type	% of Total	
	1979	1978
Appliance/tv Store	14	10
Audio/Hifi Specialist	33	40
Catalog Showroom	1	—
Department Store	12	15
Discount Store	1	—
Furniture Store	4	5
Video Specialist	34	30
Other	1	—

to be demonstrated by the fact that the 12-in. units are predicted to be below last year's, attesting to the growing "commodity" status of monochrome. Prices will range from a \$97 low for 12-in. units to \$222 for mini-combos to \$234 for the gradually disappearing 22-in. console.

Projection TV

As more of the bigger "names" enter the market, projection tv systems take a firmer hold on consumer interest with a predicted 33% increase in sales, moving from 54,000 sets last year to 72,000 this year.

Although the \$1,500-\$2,999 and \$3,000-\$3,499 price brackets were the only ones to post declines as a percentage of total sales, they still held on to an aggregate 49% of sales. The \$1,000-\$1,499 price range scored

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Video Games

Total Factory Sales

Type	1979*	1978*	% Change
TV Games, Total	2,225	2,585	-14
Non-Programmable	1,345	1,800	-25
Programmable	880	785	+12

TV Game Sales by Type of Outlet

Store Type	% of Total	
	1979	1978
Appliance/TV Store	7	10
Audio/Hifi Specialist	5	10
Catalog Chain (Sears-type store)	12	10
Catalog Showroom	6	5
Department Store	24	30
Discount Store	34	35
Electronics Specialist	2	—
Toy Store	7	5
Video Specialist	1	—
Other	2	—

TV Game Sales by Retail Price Range

Price Range	% of Total	
	1979	1978
Under \$20	25	22
\$20-\$49	18	20
\$50-\$74	11	8
\$75-\$99	8	5
\$100-\$149	11	8
\$150-\$179	8	15
\$180-\$200	17	20
Over \$200	2	2

*final 000's omitted

1979 Electronics Statistical

Personal Computers

Total Factory Sales

	1979*	1978*	% Change
Personal Computers	380	212	+79

* final 000's omitted.

Sales by Type of Outlet

Store Type	% of Total	
	1979	1978
Appliance/tv Store	4	2
Audio/Hifi Specialist	3	10
Catalog Chain	2	5
Computer Specialist	48	—
Department Store	5	13
Electronics Specialist	12	—
Hobby Shop	26	70

Sales by Price Range

Price Range	% of Total	
	1979	1978
Under \$600	38	38
\$600-\$799	30	30
\$800-\$999	14	17
\$1,000-\$1,499	10	5
\$1,500-\$2,000	7	10
Over \$2,000	1	0

Sales by Purchaser

Type	% of Total	
	1979	1978
Business or Office	49	46
Home or Hobby	37	43
School or Educational	14	11

Personal Electronics

Total
Type
Radars Detectors
Total
XK Band
X Band

* final 000's omitted

Telephones & Phone Answerers

Total Factory Sales

Type	1979*	1978*	% Change
Phone Answerers	409	340	+20
Telephones, Total	2,595	1,418	+83
Advanced Electronic	170	66	+158
Decorator	1,075	600	+79
Standard	1,350	752	+80

* final 000's omitted.

Answerer Sales by Type of Outlet

Store Type	% of Total	
	1979	1978
Appliance/tv Store	2	2
Audio/Hifi Specialist	4	5
Catalog Chain	17	20
(Sears-type store)	9	8
Catalog Showroom	32	35
Department Store	27	25
Discount Store	2	—
Office Supply	6	5
Phone Specialist	1	—
Other	—	—

Telephone Sales by Type of Outlet

Store Type	% of Total	
	1979	1978
Appliance/tv Store	5	5
Audio/Hifi Specialist	4	5
Builder-Supply	1	—
Catalog Chain	14	15
(Sears-type store)	9	8
Catalog Showroom	18	25
Department Store	20	30
Discount Store	2	—
Hardware/Home Center	4	—
Mail Order	16	12
Phone Specialist	7	—
Other	—	—

Average Retail Prices

Advanced Electronic	
Telephones	\$192
Decorator Telephones	\$78
Phone Answerers	\$198
Standard Telephones	\$39

Analysis

• Continued from page 59

primarily used at the low end, are projected for 49% decreases.

Here, too, catalog and mail order action is expected to be heavier, with drug stores broken out for the first time at an 8% share.

More sophisticated watches are evident by the rising number of 6- and 7-function-and-over units, with prices also on the rise. The \$20-\$49 category takes over the top spot.

79% hike for computers

Personal computers, now in more stores selling to knowledgeable con-

sumers, should see a 79% hike to 380,000 units.

In an effort to refine statistics in this growing market, *Merchandising* has discovered that the computer specialist owns 48% of the market, with the hobby shop next at 26%.

Expanded software and peripherals has resulted in prices being higher for many systems, with the business/office purchaser and the educational market the ones most active.

Games to nearly double

This fourth quarter, electronic games may prove to be one of the hottest products around, as evidenced by its 91% sales increase. Hand-held

games, dominated by sports and logic varieties are projected for a 7,470,000 unit year, and board versions over 3 million.

Discounters, abetted by lower prices and heavier advertising, have taken over from the toy stores as the leading electronic game merchandisers.

Telephones, detectors

Total telephone sales at retail this year are expected to reach 2,595,000 units, ahead 83% from last year's 1,418,000 figures.

All groupings are in for increases with the advanced electronic category looking for a whopping 158% increase.

Telephones continue to be sold pri-

marily in the stores, but decorator-specialists are

tion. Telephone for a 20% gain being their swerers departmenters.

Finally, the XK band. The dual price of \$100 per set, with pricing.

Electronic Games

Total Factory Sales

	1979*	1978*	% Change
Non-Video Electronic Games, Total	10,813	5,656	+91
Board	3,343	1,976	+69
Hand-Held	7,470	3,680	+103

* final 000's omitted.

Sales by Type of Outlet

Store Type	% of Total
Book Store	5
Catalog Chain	14
(Sears-type store)	9
Catalog/Mail Order	18
Department Store	20
Discount Store	2
Hardware/Home Center	4
Mail Order	16
Phone Specialist	7
Other	—

Mattel

HAWTHORNE, CA—Eight different word and strategy games, in which the participant opposes another player or the unit's built-in thinking computer, are contained in Mattel Electronics' new Brain Baffler handheld game.

Selling for about \$45, the unit plays: Anagrams: build-a-word; flash word; third degree flash word; copy that; go hang and two additional games involving coded number sequencing generated either by the computer which



Mattel's Brain Baffler

both players must figure out or by one of the players which his opponent must uncover.

Simulated sound effects, such as clock ticking, "charge" for correct answers and a doleful tune for mistakes are also offered.

Mattel also displays its hockey, baseball, soccer and football games along with its Horoscope Computer which covers astrological "forecasting" in eight aspects of life.

Mattel Electronics, 5150 Rosecrans Ave., M, Hawthorne, CA 90250.

Senn

AKAI INTRODUCES ACTIVIDEO.™

A VHS™ SYSTEM.

**THE BEST THING NEXT TO YOUR TV.
NO MATTER WHERE IT IS.**

After more than a decade of manufacturing quality lightweight video recording equipment for industrial use, AKAI introduces ActiVideo. The highly mobile, versatile VHS™ system that's extremely

can slow, stop or speed up the action to four times normal speed — and anything in between — to find the fumble that turned the game around.

At home on the range. If they want to be in the kitchen with Dinah replaying a how-to-do-it

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Charge and Visa cards, being implemented through First Wisconsin National Bank of Milwaukee and its Foremost Card Services division.

The cards will be accepted in 11 Sears retail stores in Milwaukee, Brookfield, Glendale, Cudahy, Greendale, Kenosha, Racine, West Bend and Burlington, and Sears' central service center in Wauwatosa.

FCC approves two Atari computers

SUNNYVALE, CA—Atari Inc., a division of Warner Communications Inc., has received Federal Communications Commission Type I approval for its two personal computers—The Atari 400 and 800 systems.

FCC approval permits owners of Atari's personal computer systems to legally connect their computer to any tv set.

Atari noted that both systems will be distributed this fall to a mix of computer specialty retailers as well as major national retail chains.

RCA to host events at NESDA, NATESA

INDIANAPOLIS, IN—RCA Consumer Electronics, RCA Distributor and Special Products Division and RCA Service Co. will host special events at the 1979 conventions of the National Electronic Service Dealers Assn. (NESDA) and the National Assn. of Television and Electronic Servicers of America (NATESA).

The NESDA/ISCET convention will be held Aug. 13-18 at the Marriott Hotel, Tucson, and the NATESA convention is to be conducted Aug. 23-26 at the Nordic Hills Country Club, Itasca, IL.

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KEF Elec
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Motorola autom
division: Pacific N
ing Inc., Redmond, W
Co., Inc., Inglewood,
Sales, Inc., Pleasant

IHF establishes sales data exchange

NEW YORK—The High Fidelity, in conjunction with Price Waterhouse and company, has created a sales data figure exchange, a confidential quarterly participating companies.

Jerry Kalov, IHF president. The IHF has invited fidelity component manufacturers to participate in the program.

Only participants will be quarterly combined reports. Price Waterhouse, who will keep the confidence. IHF members will receive an annual administrative and non-member may pay a fee of \$250 per year.

The report combines categories with provisions for quarterly sales information and dollar amounts.

Skill realigns Power Tool

CHICAGO—Skill C
its sales, prod
and m

Formerly Merchandising Week

AGRALLA PUBLICATION

SEPTEMBER 1979

Merchandising

FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

5th Annual

Housewares Statistical and Marketing Report



national retailer survey takes a look at Christmas electronics and housewares.



and food processors top polls

**adds to more than 100% due to multiple answers.*

Where do you anticipate drawing heaviest volume in electronics in the fourth quarter?*

	% 1979	% 1978		% 1979	% 1978
Color tv	80	77	Autosound	20	18
Compact stereo	46	37	TV games	20	17
Videotape recorders	38	28	Calculators	13	16
Black & white tv	33	26	Telephones	7	6
Clock radios	29	19	Mini tape recorders	7	8
Tape recorders	28	24	Digital watches*	6	14
High fidelity	24	26			

How will these estimates for heaviest volume differ from your actual fourth-quarter results last year?*

	% 1979	% 1978		% 1979	% 1978
More color tv	69	64	More clock radios	15	20
More videotape recorders	42	28	More high fidelity	15	15
More compact stereo	38	31	More tv games	15	12
More autosound	21	16	More calculators	8	10
More tape recorders	18	13	More mini tape recorders	6	7
More black & white tv	16	16	More digital watches	5	11
			More telephones	4	6

Have you placed orders already in accordance with these growth estimates?

	% 1979	% 1978		% 1979	% 1978
Yes	66	62	No	34	38

Have you or will you be ordering in quantities or open lots?

	% 1979	% 1978		% 1979	% 1978
Quantities	61	69	Open lots	39	31

By what percent do you expect to increase fourth-quarter advertising this year?

	% 1979	% 1978		% 1979	% 1978
0%	15	17	11-15%	9	8
1-5%	26	24	16-20%	4	8
6-10%	37	33	Over 20%	9	10

What one product do you expect to give the heaviest display and promotional push this Christmas season?*

	% 1979	% 1978		% 1979	% 1978
Color tv	71	52	Radios	6	2
Videotape recorders	18	18	Calculators	4	2
High fidelity	13	5	Cassette decks	4	1
Autosound	12	6	Clock radios	3	3
Compact stereo	10	4	Telephones	2	1
Black & white tv	9	2	Personal computers	1	
TV games	7	3			

hardware on the selling floors, fared well here, with 42% remarking that estimates will be better in this category than their actual 1978 year-end results.

with 34% answering no. Closer-to-the

Davidson: conservatively. accumulation be liquidated at a excellent credit rat.

unproductive costs expense structure. deal from strength comes late in 1980

ahead

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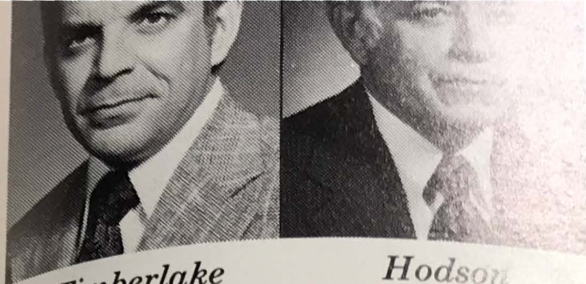
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Timberlake

Hodson

LANCASTER, OH—David R. Timberlake has been promoted to vice president, sales and marketing for Anchor Hocking Corp.'s consumer, industrial and specialty products divisions. He was previously vice president, marketing for the division.

In another executive move at Anchor Hocking, Charles H. Hodson was named vice president, national accounts for the three divisions. Prior to his new appointment, Hodson was vice president, sales.

Conic/Del Prado set to launch tv combos

NEW YORK — Conic/Del Prado Marketing, importers of Conic brand clock and multiband radios, stereo cassette and 8-tracks, compact stereos and electronic games, will begin marketing television combo sets in January.

The company will introduce a 5-in. black-and-white television with AM/FM radio and cassette at the Winter CES in Las Vegas.

Phil Baird, president, said that the company was planning nationwide distribution of the sets, but that it was too early to determine marketing plans.

GE reorganizes lamp group, promotes three

CLEVELAND, OH—The General Electric Co.'s Lamp Products Division has been reorganized. Three GE executives were among those promoted.

Michael Finn was named general



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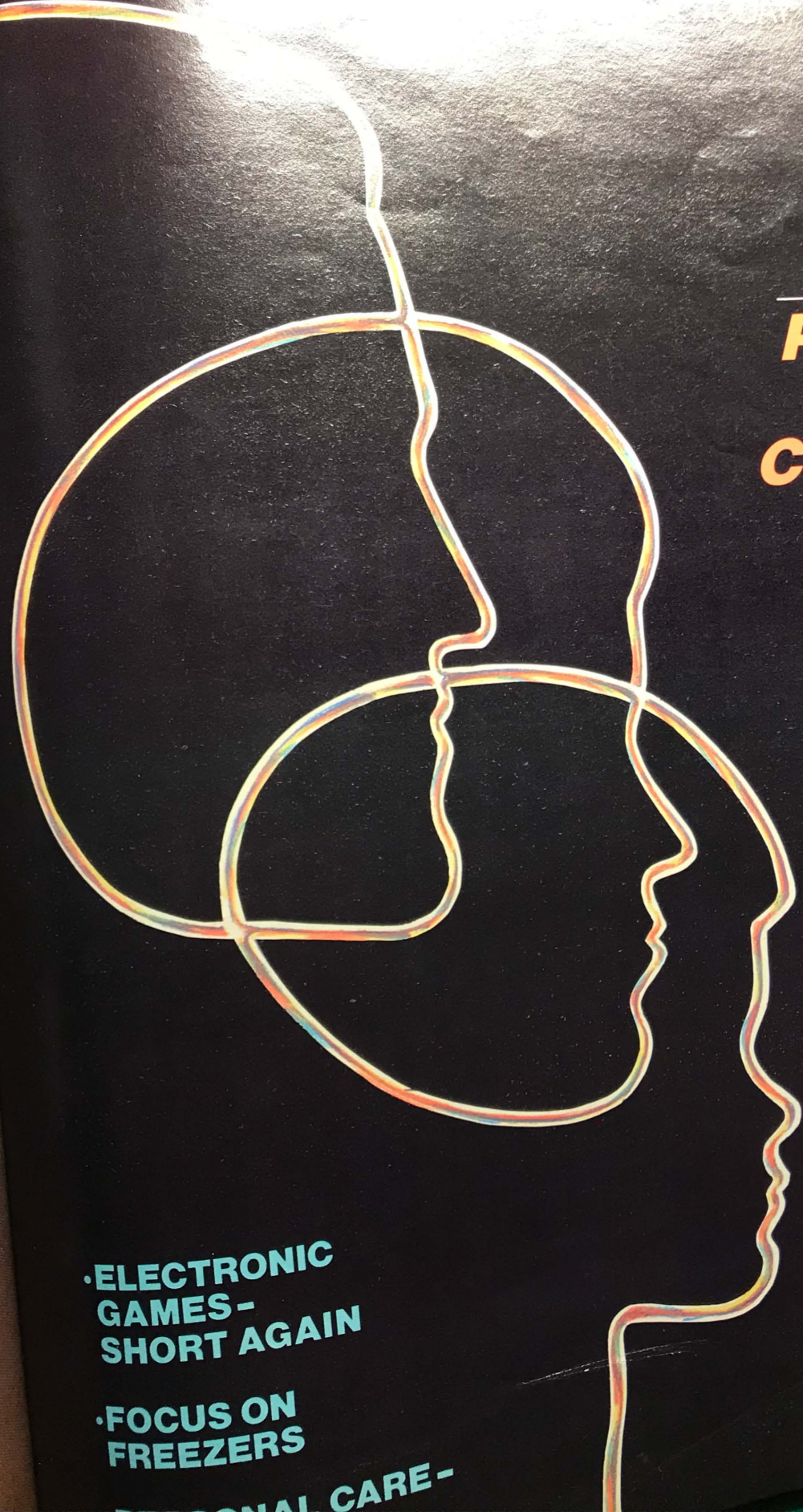
formerly **Me**
ISHED FOR AN

OCTOBER 1979

Marketing

ON ITS MIND

**7th National
Survey**
**PROFILING
TODAY'S
CONSUMER**



•ELECTRONIC
GAMES-
SHORT AGAIN

•FOCUS ON
FREEZERS

PERSONAL CARE-

Atari® outsells all other brands combined.

Source: 1979 Vantage Research Market study on programmable video games.

Here's why.

We're plugged into all three networks.

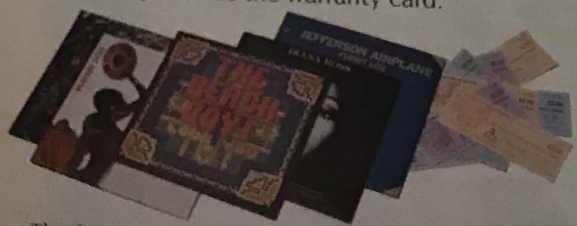


All during the Christmas season our new commercials will get a big play on network television. We're spending millions to let people know just how good and how much fun Atari is. Watch for us on prime-time shows and the top-rated sports programs.

We've increased our co-op advertising allowance from 2% to 5%.

Only Atari is offering consumer promotions.

During the third quarter, every consumer who buys an Atari unit will get free five record albums worth \$42 when they send us the warranty card.



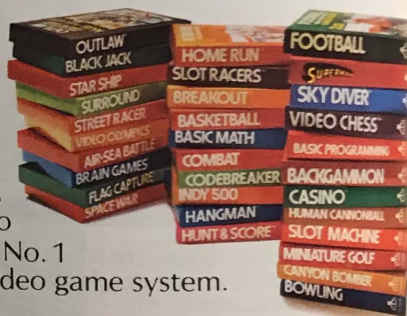
The five albums are: Diana Ross/Theme from Mahogany; Jefferson Airplane/Flight Log; Crosby & Nash/Live; The Beach Boys/Love You; Ohio Players/Gold.

During the fourth quarter, when the consumer returns his warranty card, he'll get five scrip checks, each worth \$2.50 off the price of these cartridges: Flag Capture, Black Jack, Surround, Space War and Basic Math.

The scrip checks are redeemable through April 30, 1980.

We have a wider variety of cartridges than anybody.

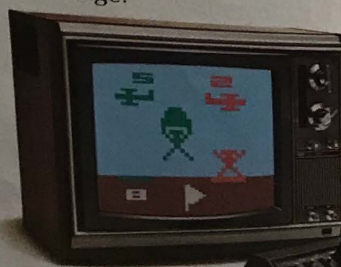
We've got 32 cartridges. More than anybody. And we're constantly developing new cartridges. No wonder we're the No. 1 programmable video game system.



We've put a lot of time and money into our video games.

We've settled for nothing less than crisp, bright colors for our game cartridges. And nothing less than true-to-life sound effects that play off the television's sound system.

We've especially designed the Atari Video Computer System™ to change colors to protect the TV tube from damage.



All good reasons why Atari is clobbering the competition. Stock Atari. You'll be a winner.



Atari, Inc.
1265 Borregas Ave.
Sunnyvale, Calif. 94086
(800) 538-8547

SUPERMAN is the trademark of DC Comics Inc.

The information in this ad is based on the best available data.

Trendin

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Many are hoping that
OCTOBER 1979

Prerecorded Videocassette Report

Inventory flood

• Continued from page 54

list, which is sent to the printer along with the updated catalog. Normally, the catalog features titles of video programs before they're available (projected dates of availability also are noted). This gives Nickelodeon at least a slight jump on some of its competition and an early indication—through initial order activity—of how to inventory.

As for rack jobbing, Millar says: "I don't believe you can stock (video programs) like magazines. You should service your customer and know his needs."

Irvig Zohn, vice president of Korvettes, also doesn't think handling prerecorded video is much of a problem, but then he has access to a full-scale computer operation to do the counting and selection for Korvettes' 50 stores.

And he hasn't noticed much difference in consumer preferences from one store to another. "Basically, it's about the same. There are some differences, of course, but a good seller in New York is a good seller in New Jersey and in Pennsylvania."

Yet another dealer, Ronald Domont, president of the chain of Video Center stores in Southern California, also would like rack jobbers to get involved in the prerecorded video business.

"You really need some injection of capital into the industry," says Do-

mont. "The supplier is going to have to say, 'If we're going to develop this industry and have profits, we're going to have to cut our costs and reduce our margins with the hope of greater turnover.' When they reduce their margins, they'll increase the margins of the rack jobber. The rack jobber will then get an increase in his gross profit margin from the supplier and he'll also get it from the retailer because the retailer can now say he doesn't need 28%. He'll take 20% if the rack jobber will capitalize. That way, rack jobbers should be able to get 35%-40% and get the job done to everyone's satisfaction. Only then will software sales zoom," says Domont.

Gene Kahn has at least partially solved his problem by placing all of his prerecorded videocassette orders through what is known in the record industry as a "one-stop," a place where he can pick and choose exactly what he wants from a broad selection and in any quantity he wants, no matter how small.

There may be 300 or more one-stops around the country, but less than 10 of them currently handle prerecorded videotape, according to the National Association of Recording Merchandisers, based in Cherry Hill, NJ.

Most one-stops sell the product outright, usually over the phone, and few of them actually service their accounts in person. "The real need for a one-stop," says David Grossman, manager of special projects for NARM and the association's video specialist, "is for the smaller shops who just

aren't big enough to buy directly from the manufacturers. They can make one call or one stop and get what they need. Also, the one-stop will keep them abreast of what's new. But they generally do not provide any other services."

And they don't usually offer much in the way of financial assistance. Most one-stops work on a C.O.D. basis.

"Although he's not doing detail work in our store," Kahn says, "we are using him as a rack jobber. We're able to go to him and say we need one of these, one of those, etc. We get an immediate answer so that we at least know where we're at."

In Kahn's case, the "him" is Sound Unlimited, which for years has served

Chicago and other areas as a record one-stop and only added prerecorded videocassettes about a year ago. Jeff Tuckman, who runs the video operation at Sound Unlimited, says he expects to triple his current account list of 300 by the end of next year, mainly through the addition of prerecorded videotape dealers.

One reason why the one-stops, such as Sound Unlimited, may be doing well, says NARM's Grossman, is that many suppliers require minimum purchases and the small dealer couldn't buy direct under these conditions. The one-stops sell on a very small order basis.

"It's inevitable that there will be more and more usage of one-stops in video," says Grossman.

—Ron Schneiderman

Establish video reference center

SYOSSET, NY—National Video Clearinghouse Inc. has been formed to serve as a reference center for all video program software information in all videocassette and videodisc formats.

A joint venture of the Orpheum Corp. and the Broadcast Information Bureau Inc., the Clearinghouse will have information about video programming available for home, institutional, broadcast and cable users in all present and future formats.

The information will be updated monthly and made available through a series of publications, according to Richard Lorber, director of marketing.

The Video Source Book, a reference book of over 15,000 video titles, will be available in mid-November, priced at \$22.95, with index.

A second publication, The Video Index, priced at \$6.95, and available the end of October, is an annual reference publication listing over 300 video program distributors.

The Clearinghouse also plans a Video Hot-Line, a national toll-free telephone access to more than 30,000 entertainment, informational and educational titles available in all tape and disc formats. This service is priced at \$149.95.

focus



ELECTRONIC GAMES

It's demand over supply in '79's non-video game sales marathon

Demand continues to outpace supply in non-video electronic games.

Once again faced with this imbalance, game manufacturers and retailers are being forced to adjust their marketing and promotion plans to meet this year's Christmas crunch.

On one side, suppliers claim they have doubled and even tripled their output in anticipation of retailers' needs, but they still cannot produce enough to fill the pipelines.

Retailers, looking at a wider selection of products from a growing list of producers, assert that no matter how many games they place on the shelves, there's still a clamoring for more.

As one retailer said, "We're just suffering from too much of a good thing."

This statement is certainly verified by industry estimates of unit and dollar volume for this infant category.

Sales way ahead

In its August Electronics Statistical and Marketing Report, *Merchandising* indicated a unit sales increase of 91% for non-video electronic games this year, compared to 1978. That's close to an 11 million unit year.

In specific categories, board games are projected for a 69% hike over last year, while the hand-held models are subject to a 103% jump.

Dollar volume is expected to reach close to \$320 million this year, opposed to about \$150 million a year ago.

All of these figures come into a clearer perspective at this time of the year, when 60%-70% of all toy business is achieved.

And non-video game experts are projecting an annual growth rate over the next few years five times greater than that of the industry in general.

"The way the market is going, and I mean going fast, there is no way that we suppliers can produce enough to meet the demand," Randy Hall, manager of new product development, Atari, notes.

"For the next five years, we're in for phenomenal growth in this area. Atari plans to expand its line of electronic games at February's Toy Fair and I look at others to do the same," Hall adds.

Atari, like most other manufacturers, has sold out their products for the fourth quarter, and have some lines on allocation.

Arnold Greenberg, president of Coleco states, "Shipments of our electronic products during the first six months of 1979 totaled \$23.9 million, compared with \$1.8 million for the first half of 1978. By the end of June, all of the company's products for 1979 were in production, and initial distribution of all of these items has already been made."

"Demand for electronic hand-held games in particular remains strong, and production for the balance of the

year for most of the models in our line is already sold out."

Semiconductor shortages

The main stumbling block to adequate supplies, manufacturers aver, is a shortage of semiconductor chips to run the sophisticated games.

Also, toy suppliers are not accustomed to ordering at least six months in advance, which is required by such leading semiconductor sources as Texas Instruments, Rockwell, National Semiconductor and General Instrument.

"We are producing chips for electronic toys to our capacity, but the toy manufacturers did not anticipate their needs," a spokesman for one of the top semiconductor houses comments.

"They also don't realize that the same

chip is used for a wide variety of products, not merely electronic toys. We are going like crazy to produce as many as possible, but it won't be enough for this Christmas."

Also short are LCD and LED displays.

Another detour to immediate product availability is the non-commitment of many producers to long-term growth in this area.

One producer says, "It takes two years to get full capacity for one of these new and 'hot' categories. How do we know that it will be still hot then?"

But, probably the biggest problem to bringing the supply and demand ratio into line is simply the enormous popularity of the games.

"Non-video games are as popular as

ever, with both the adult and children's markets. But there'll be more games available to retailers this year and if they can move customers from one brand to another, then they'll be alright," Bill Pasco, sales manager, Interstate Industries' Tiger Toys division, declares.

Imports growing

Domestic suppliers also indicate that imports will be making a strong impression this year.

Hand-held microprocessor games, exported from Hong Kong, increased 500%, according to the U.S.-based Hong Kong Trade Development Council.

According to the Council, factories which previously concentrated on

(Continued on page 60)

FREEZERS

Rising cost of food stimulates sales surge, supplies still tight

What's hot and cold and a pleasant, if somewhat surprising plus on the major appliance scene?

The answer is freezers and it's no riddle why they've become a strong sales item for all sectors of the distribution chain, from manufacturer to retailer.

Inflation—in the cost of food, and meat in particular, as well as the rising cost of gasoline is cited as the major element in the surge of sales of all types of freezers.

Also, as one source noted, drawing a parallel to previous big freezer years, "1973 was a super year for the appliance industry. Meat was scarce and high priced, and 1974 and '75 were also big in freezers because we were heading into a downturn, and you do a big freezer business when you're going into a downturn."

"It's obvious," says Don Linskey, retail marketing manager-freezers, for General Electric, "that the consumer interest in freezer purchases, is running contrary to what anybody in the industry forecast back in 1978."

Upward revision

Even the upward revised mid-year projections by the industry for an increase of over 6% to 1,623,000 units from 1,521,000 last year may be conservative in the light of actual activity. A 44.3% gain in July shipments, put freezer shipments 15% ahead of a year ago through the first seven months of this year, according to the Assn. of Home Appliance Manufacturers.

The AHAM figures include exports, but not imports. Imports through the first half were running at a rate indicating they would exceed the 35,500 freezers tallied in 1978.

As Lou King, senior vice president, marketing, Amana, sees it: "Any time meat prices go crazy like they did and beef gets up to what it is, you're going

(Continued on page 60)

"THE PICTURE IS COLOSSAL!"
--TIME MAGAZINE

The Greatest Romance and Adventure in a Thousand Years!

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EL CAD

OUTDOOR ADVENTURE COMEDY AND DRAMA CLASSICS

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ABBOTT AND COSTELLO meet CAPTAIN KIDD

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A mountain man and a grizzly bear share the wilderness in

The Life and Times of GRIZZLY ADAMS

Featuring Dan Haggerty as James Adams

COLOR

A family of movies just for families on video cassettes from THE SOURCE

Call today for details on VCI's "FALL VIDEO '79" dealer programs. Call Bob Blair, VP or return the reply coupon below.

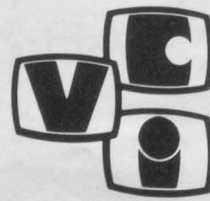
BOB!

- Send me info on "Fall Video '79"
- Send me a copy of VCI's dealer newsletter, "Video Screen"

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Title _____
Address _____

Video Communications, Inc.

6585 East Skelly Drive
Tulsa, Oklahoma 74145
(918) 622-6460
(800) 331-4077



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Have We Got A Deal For You!

... a deal on home video movies, so you can make money on the biggest new market to hit the industry in years!

We're selecting dealers and distributors now. Talk to us about the Video Warehouse program. We've got:

- Movies, lots of them, never before seen on television.
- Ratings — G, PG, R.
- All superior quality films, taken from the original negatives of high-budget, top-flight productions.
- All movies available in Beta and VHS formats.

• Cassettes of complete movies that you can sell starting as low as \$29.95 each.

And here's the deal! We provide you with our catalogs, a counter display, sample tape and a toll-free hotline straight into Video Warehouse. The customer pays you, we ship to you, that way you pay us only for what you sell. If you want to stock some movies you can make even more profit. Rentals? Sure. And a consumer tape club channeled through dealers is in the works. Write or call —

Video Warehouse Inc.



P.O. Box 275, 500 Highway 36
Atlantic Highlands, N.J. 07716
201/291-5300

FOCUS ON ELECTRONICS

Continued from page 59

such products as calculators and video games, have now shifted their production to hand-held games.

Many Hong Kong manufacturers, says the Council, have already filled their production schedule for 1979, with producers only able to satisfy about 60% of the market demand.

According to George Ditomassi, senior vice president-marketing, Milton Bradley, there were six electronic hand-held games on the market in 1977.

In 1978, the figure was 13. In 1979, it will reach an astounding 125 products.

"Milton Bradley is ecstatic about our chances over the next few months. Nineteen seventy-seven and 1978 were strong years, but this year, with our stable line, I look for about double the sales," Ditomassi remarks.

"We are sold out right now for Christmas. We doubled our output on Simon, and it still wasn't good enough. Don't forget that as people cut down on traveling due to lack of gas and/or money, they will be spending more for home entertainment," Ditomassi

states.

Jeffrey Rochlis, president of Mattel Electronics, says his company has had to triple production this year of its hand-held electronic games to keep with retail orders for Christmas. "And we expect it all to sell," he says.

"Our rates of sales (to dealers) in anticipation of Christmas business have been enormous," Rochlis said, adding that Mattel plans a very heavy national television and print advertising campaign to help dealers promote the games that were so popular last Christmas.

Another selling tool will be the in-store demonstration.

Parker Brothers is sending demonstrators out to at least 10 major markets. Milton Bradley may do the same.

New Parker Brothers electronic games will also have new packaging, specifically designed to tell consumers how the product works.

This was done, according to a Parker Brothers spokesperson, because of the extra sophistication of the electronic games, causing some confusion at the retail outlets.

"In this way, the products are easily recognizable and that means less confusion for retail salespeople and potential customers," she states.

According to *Merchandising* estimates, discounters will get the most volume.

Discount stores will provide for 39% of the total market, compared with 34% in 1978. The big loser this year is the toy store, dropping from 23% to 19%.

Jules Steinberg, executive director, NARDA, says independent television/radio dealers are anticipating a strong pull for electronic games as well.

"We placed an ad in our monthly journal, the traffic-builder-of-the-month feature, on electronic games and received an excellent response. Both the smaller and larger retailers placed sizable orders," Steinberg notes.

In a sampling of leading retailers around the country, it was discovered that most are quite enthused about the product category this Christmas and will sell as many as they can get.

"We're planning our promotions

right now to beat the rush," a buyer for a Seattle department store says.

Another department store buyer adds, "I see little price deterioration and few price promotions at retail. It's going to be won by those retailers that can move goods from the back of the stores to the front and out fastest."

For that reason, many gondolas on lower floor traffic areas will be set-up. However, the more expensive units will be in security cases either in the electronics or toy departments.

Some stores, like Hess Brothers in Allentown, PA, have established year-round electronics departments, selling electronic games, video games and calculators.

Others, especially the toy chains, such as Kiddie City in Philadelphia, go for multiple points of sale, by the checkout counters and on the shelves. But, the continuing cloud hangs over retailers as well—they have enough to meet the demand?

They are realistic enough to say no, but are grateful enough for the amount they receive.

—Jim Schneider

FREEZERS

Continued from page 59

to find people who are interested in figuring out how to buy in quantity and save."

Strikes at two major compressor manufacturers, Tecumseh and Copeland, have been a problem for the freezer industry in meeting retail demand. "We stockpiled in anticipation, but it's still a problem," said King. "Dealers aren't going to be able to just call up any day they want and get a freezer."

Darn near 1.8 million

One freezer sales executive sees demand growing to the point that industry volume could "go to darn near 1.8, 1.9 million before the year ends." But despite the industry's production capacity, when demand suddenly surpasses what is produced, it's almost impossible to recover in time to meet the immediate demand.

Linskey thinks inflation and the price of food are causing a significant consumer interest in that "security blanket type thing. Having a freezer full of high-priced meats and food is like having a coin collection. It's only going to be worth more."

One very real factor, he said, has been consumers managing their shopping trips more efficiently because of concern over gas, and making fewer trips with larger purchases, thus making the buying decision to purchase a freezer.

"Another thing," added Linskey, "is that the microwave business has been strong and more food processing companies are packaging frozen foods that are ready for popping into the microwave, from the freezer."

John Hatting, national sales manager for Revco, noted the relatively low saturation figure of 40% as a possible factor in freezer sales growth, as well as some tendency to buy a second and even third freezer.

With some geographic variation, freezer sales have a pronounced seasonality, with over two-thirds being sold in the May-October period. The fall usually gets a bit of stimulus from

(Continued on page 63)

PERSONAL CARE

Hair-oriented products to carry brunt of holiday stove programs

The personal care appliance business got off to a good "head" start in the 1970s. More than half of the almost 55 million unit sales forecast for 1979 will come from just three products—hair dryers, curling irons/wands and hair setters (*Merchandising*, Sept., p. 40).

Marketing concepts have been primarily aimed at the hair drying and curling appliances during the past decade and obviously, they have paid off.

Now to grow, the marketing in the 1980s, which sociologists and futurists are calling the intensified ME decade, may mandate a new approach.

It takes more than a brand new hairdo to make one look good and feel good—both very important today and seen as even more important tomorrow.

Body awareness, not new

In the past, personal care appliance manufacturers have introduced a number of new products that treat other areas of the body. Shower massagers, foot bath/massagers, hand-held massagers, nail and skin-care devices, facial saunas, home dental care appliances, heating pads, electric shavers that shave as close as a blade, whirl-pool baths, illuminated make-up mirrors, hot lather dispensers and even an electric douche... the list could go on.

Some were innovations, others simply refinements of products already, on the market.

A number of these continue to be steady sellers while others have dropped out of the market. To date, not one of former has come close to hair dryers in unit sales.

Why?

Just as many people who shampoo

their hair regularly also shower, bathe, brush their teeth, have tired feet, frayed nerves or sore muscles—especially with today's emphasis on exercise for health.

Good support promised

The answer then must lie in how the products have been marketed.

Most suppliers who introduced products in these areas this past July, have promised good support programs.

However, a nationwide spot check of retailers indicates that while they believe the head-to-toe concept for personal care is viable, their fourth quarter programs—which most are still working on—will be hair-care oriented.

Admitting he had not bought all the items for a late November personal care push he had planned, James Ayotte, housewares buyer for Gottschalk's, Fresno, CA., said, "I'm taking a wait and see attitude on most of the non-hair care products introduced in July."

He likes the "looking good, feeling good" concept but suggested that suppliers must establish the market before the retailer can make a go of it.

He added, "I know there's a market out there for home dental care products, but it's got to be developed."

According to Clairrol, it's a \$1.5 billion market comprised of 190 million people.

Ayotte noted the store hadn't done too well when it introduced the Concept Tooth Polisher recently.

Doubt about follow-through

While manufacturer support for mid-year introductions looked good in July, Ayotte expressed a concern of other buyers when he said, "I've heard about good programs when suppliers are selling in summer, but then there's

no or little follow-through in fall."

He explained it's not always the fault of the manufacturer but may be caused by some production snag no one could have foreseen. So, with little product available in only a few places, national promotions are best scuttled.

'Oversell' is no excuse

What discourages most buyers from being too eager to order a new product—especially one in an undeveloped category—is when the supplier simply oversells and then ships selectively. Some stores get nothing, or shipments are allocated across the board making supply so short that the vendor reduces or withdraws his "promised" support. Not only does the retailer end up without a planned promotion but for many, open-to-buy that could have been used elsewhere is tied up until it's too late.

While this problem can—and does—occur in all product areas, it is particularly frustrating in selling personal care "away from the head."

Good print co-op on-hand

So far, where major suppliers are concerned retailers agreed that fall programs still look good. Print co-op is aggressively available.

Selling personal care from "head-to-toe" is a viable concept according to Joel Shulman, housewares buyers, S.P. Dunham's, Trenton, NJ.

"Ultimately," he claimed, "we're promoting 'looking good, feeling good.'"

Dunham's pre-holiday personal care promotion, also set for late November, will highlight foot baths and hand massagers, as well as hair care appliances.

This month Dunham's is having a

(Continued on page 63)

Sanyo car stereo: Designed to fit more than cars.

If there's one thing that more and more dealers are realizing, it's that Sanyo has far more to offer than any other line of car stereo.

Because only Sanyo offers 73 car stereo units and accessories — a huge selection of models to suit any taste, meet any budget, and fit virtually any car.

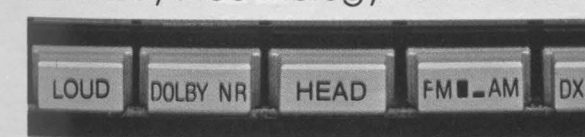
Designed to fit all cars.

From the smallest imports and subcompacts to the largest domestic cars, Sanyo has the perfect fit. And our exclusive EZ-Install® system assures a custom-looking installation.

And with Sanyo's comprehensive line, your customer can find virtually any feature he wants in a unit that fits his car as neatly as original equipment.

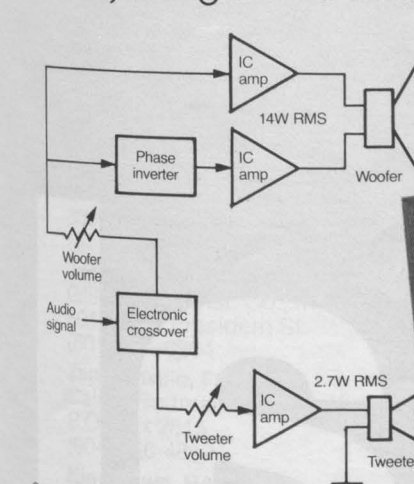
Designed to fit customers.

Another way Sanyo stays so far ahead of the competition is by designing the most exciting features that today's technology has to offer.



Special Sanyo features include Dolby* for tape and FM plus Sendust head and EQ switch for metal tape.

Your customers will flip over Sanyo's automatic tape program search system (AMSS) along with features like home



Sanyo's high-performance bi-amplification adds extra punch and clarity to the music.



you get built-in automatic repeat business.

Just start your customer out with one of Sanyo's AUDIO/SPEC receiver/tape decks and a pair of Sanyo speakers. Let them know that, when they're ready, they can add a Sanyo power amplifier for up to 60 watts RMS per channel of massive, distortion-free sound (0.05% THD). And once you show them the benefits of a Sanyo 7-band graphic equalizer, they'll be back to buy it—and more.

You also get Sanyo's traditional high profit margins and incredibly fast turns.

Now... does any other line you carry measure up to all of this?

If not, contact your Sanyo rep today. He'll show you a perfect fit.

hi-fi specs (such as 0.08% WRMS wow & flutter), Dolby* selectable biamp or conventional mode, digital quartz-locked frequency synthesizer tuning, Sendust heads with switchable equalization for all tape types including metal, and incredibly sensitive tuner sections.

And with prices starting at \$49.95,** your customer can easily get turned on to something that's within his budget.

Designed to fit you.

With Sanyo's new expandables,



Sanyo Expandables grow with customer

SANYO

Contact your nearest Sanyo rep.

ALBUQUERQUE: Jack Rowe Assoc. (602) 991-2260 ARKANSAS: Tom Wachendorfer Assoc. (501) 666-9593 ATLANTA: Dean Cooper Co. (404) 448-5460 ALA., NC, SC, TENN., MISS.: Dean Cooper Co. (404) 448-5460 BOSTON: Market Reps (617) 762-8820 CLEVELAND: MS Sales Corp. (216) 382-2060 DALLAS: Tom Wachendorfer Assoc. (817) 461-5654 DENVER: Jack Rowe Assoc. (602) 991-2260 DETROIT: Lou Buch & Assoc. (313) 557-9150 HONOLULU: Servco Pacific Inc. (808) 841-0151 HOUSTON: Tom Wachendorfer Assoc. (713) 492-0558 INDIANAPOLIS: Alpha Sales Corp. (317) 257-4167 JEFFERSON CITY: Carmine A. Vignola & Assoc. (314) 636-3121 KANSAS CITY: Carmine A. Vignola & Assoc. (314) 636-3121 LITTLE ROCK: Tom Wachendorfer Assoc. (501) 666-9593 LOS ANGELES: CMA Sales, Inc. (213) 870-2984 LOUISVILLE: Alpha Sales Corp. (502) 426-4323 MIAMI: Dynasales Corp. (305) 922-0900 MINNEAPOLIS: Bill Kirsch Assoc. Inc. (612) 944-3355 NEW ORLEANS: Tom Wachendorfer Assoc. (504) 722-1407 NEW YORK CITY: R.P.M. Sales (212) 564-1510 OKLAHOMA CITY: Tom Wachendorfer Assoc. (405) 721-9170 OMAHA: Carmine A. Vignola & Assoc. (314) 636-3121 PHILADELPHIA: Arthur Trachtenberg Sales Corp. (609) 829-1661 PHOENIX: Jack Rowe Assoc. (602) 991-2260 PITTSBURGH: MS Sales Corp. (216) 382-2060 PORTLAND: Barnsley-Weis Assoc. (509) 248-7250 ROCHESTER: Levin/Ross (716) 442-0720 ST. LOUIS: Carmine A. Vignola & Assoc. (314) 636-3121 SALT LAKE CITY: Jack Rowe Assoc. (801) 621-3729 SAN DIEGO: CMA Sales, Inc. (714) 827-5450 SAN FRANCISCO: Hal Abrams Marketing, Inc. (415) 692-1501 SEATTLE: Barnsley-Weis Assoc. (509) 248-7250 SHREVEPORT: Tom Wachendorfer Assoc. (318) 425-4605 SPOKANE: Barnsley-Weis Assoc. (509) 248-7250 SYRACUSE: Levin/Ross (716) 442-0720 WASHINGTON D.C.: Jack Black Sales (301) 881-2880

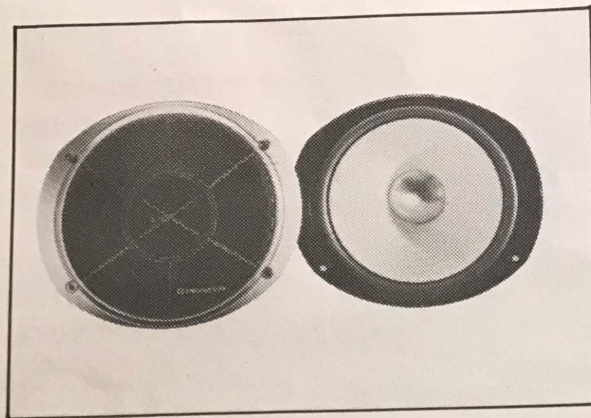
IN CANADA: Magnasonic Canada Ltd. Montreal (514) 731-7831 Toronto (416) 421-8344

© 1979 Sanyo Electric, Compton, CA 90220

*TM Dolby Laboratories

**Manufacturer's suggested retail price which is a guideline for effectively merchandising Sanyo products.

car.
The TS-W203 woofer adds a lower



Pioneer speaker

frequency range from 28 to 10,000 Hertz. The 8-in. round speaker fits a 6-by 9-in. rear deck opening.

Both speakers handle up to 60 watts of power. The TS-T3 has a suggested retail of \$69.95. The TS-W203 sells for \$189.95.

Pioneer Electronics, 1925 E. Dominguez St., M, Long Beach, CA 90810.

Magnavox

FORT WAYNE, IN—Magnavox puts 11 new game cartridges into production for its Odyssey Computer Video Game system.

The new cartridges include: Take the Money and Run; Computer Intro; I've Got Your Number; Invaders from Hyperspace; Thunderball; Show Down in 2100 AD; War of Nerves; Alpine Skiing; Whirllybird/O.R.B.I.T.S.; Pro-Hockey/Pro-Soccer and Dynasty.

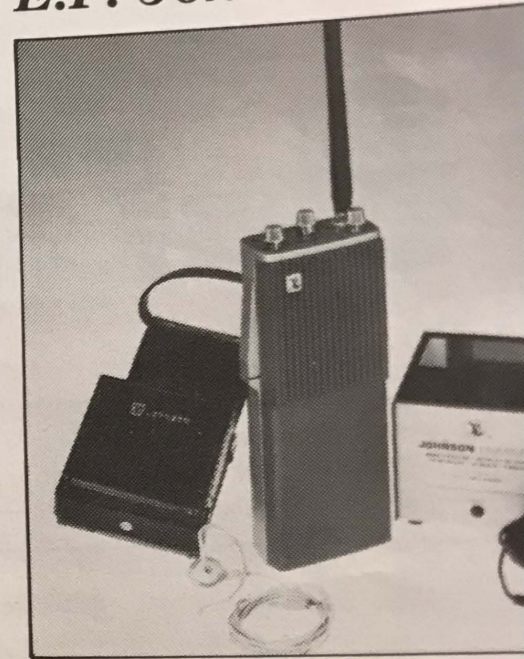
Magnavox, 1700 Magnavox Way, M, Fort Wayne, IN 46804.

The TS-W203 woofer adds a lower precise infrared beam in place of a conventional radio signal. The control also has up/down channel selection.

The CNR-842 also features button electronic control that adjusts automatically for clear and pictures.

Gold Star Electronics International, Inc., 330 Madison Ave, New York, NY 10017.

E.F. Johnson



CB from E.F. Johnson

WASECA, MN—E.F. Johnson offers the 92/40 hand-held band portable.

The 5-channel unit features battery condition indicator, battery with charger included, and a flexible antenna.

E.F. Johnson Co., 299 10th St., Waseca, MN 56093.

formerly Merchandising Week

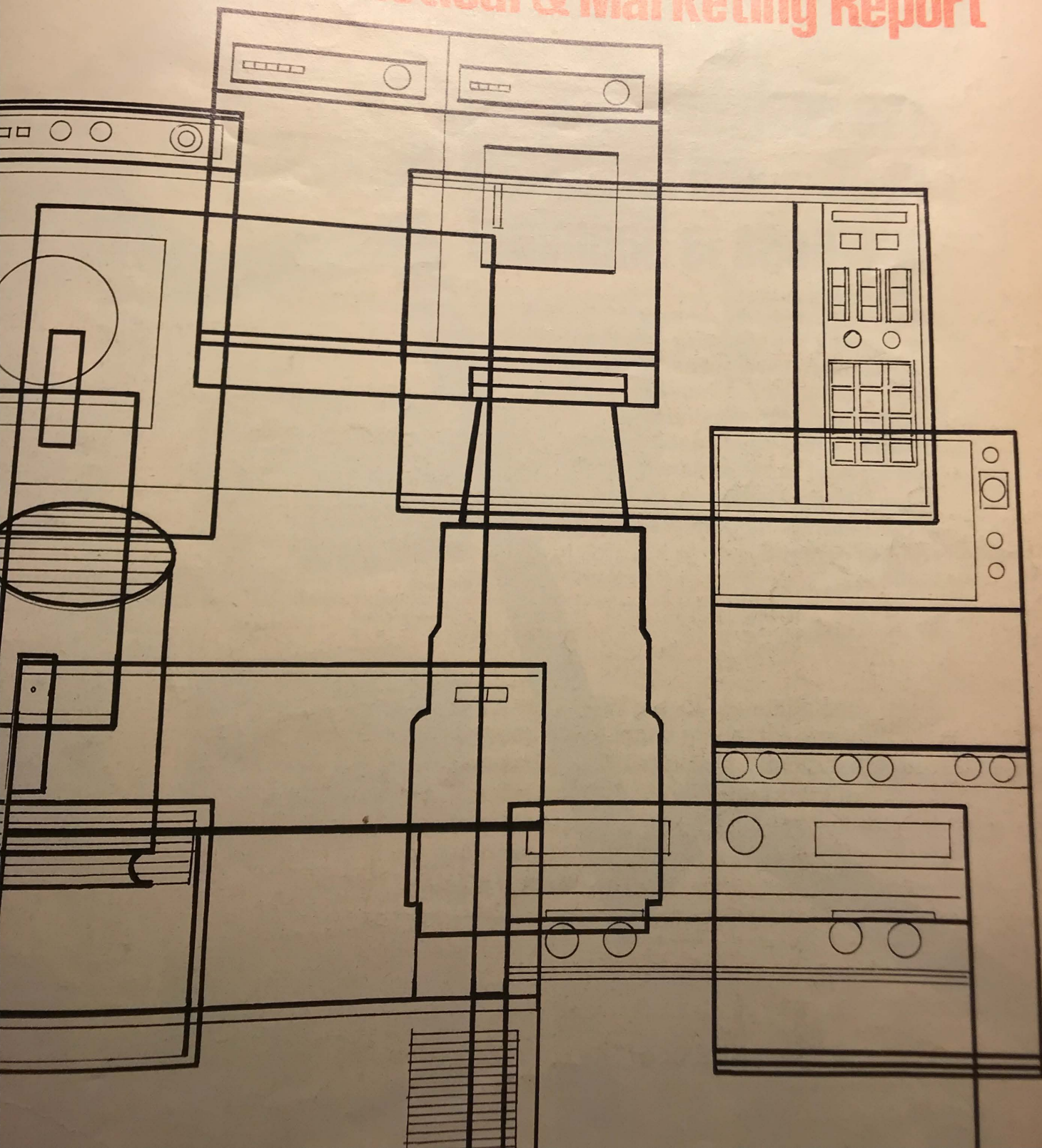
AGRALLA PUBLICATION

NOVEMBER 1979

Merchandising

FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

Annual Appliance Statistical & Marketing Report



Formerly Merchandising Week

AGRALLA PUBLICATION

DECEMBER 1979

Merchandising

AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

Pre-NHMA Report

Pre-CES Report

**Fourth Annual
Retail Hifi Breakout**

**Top 50 Prerecorded
Videocassettes**

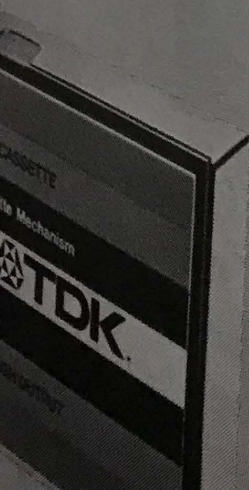
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ular, buyers state, that they will be the
"hot" watch item this December.

In addition, retailers continue to
feature ladies LCD versions this time
of the year, as well as some plastic-
cased low-end units for the kids.

Telephones, always a strong sales
contender this month, loom
powerful particularly in high-
priced decorator models and feature
phones.

The key to success in this area, deal-
ers agree, is proper display. Many re-
tailers will be setting up phone bou-
tiques to hit the impulse buyer.

Such features as bell shut-off, hold
buttons, tone generators, silencers, au-
tomatic dialers and amplifiers are on
the minds of feature-phone purchas-
ers.

Another profit-maker for phone
buyers continues to be the telephone
answering machine, with many of the
top manufacturers hitting record pro-
motional budgets this year.

Both personal computers and non-
video games have replaced the tv game
this time around, buyers conclude.

Most dealers have not yet had major
experiences with personal computers,
but are still enthusiastic about its po-
tential.

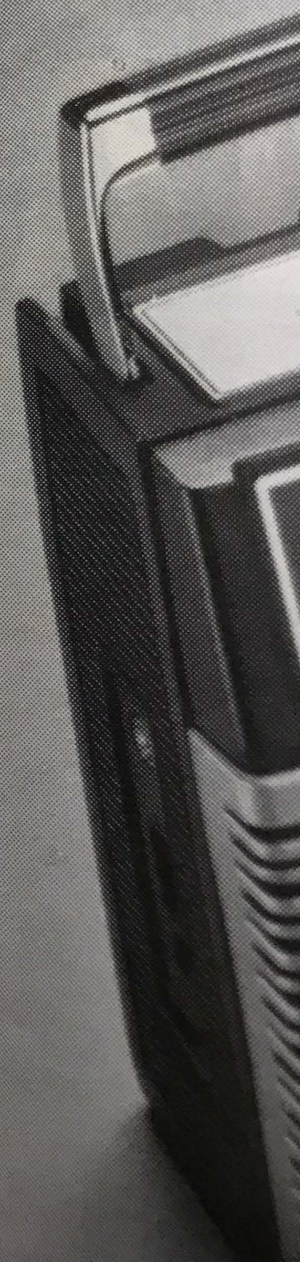
And they have had good experiences
with non-video electronic games, pre-
dicted to be one of the top sale-getters
in any product category.

But, as last year, there have been
shortages reported, especially on the
sports games. As fast as merchandise is
placed on the floor, that's how fast it
moves out, buyers report.

To combat this, major sources have
ordered heavily, putting more dollars
into this category in both stock and
advertising budgets.

Finally, citizens band radios and
radar detectors will be pro-
moted for their safety and
money-saving values.

In CB, single sidebands once again
asked-for



File

Do you expect total sales in your department to increase, decrease or stay the same in 1980 as compared with 1979?

	1979	1980
Increase	80	60
Decrease	3	12
Same	17	28

What percent increase do you expect?

	1979	1980
1-5	28	1
5-10	37	11
10-15	22	44
15-20	7	16
20-25	5	22
Over 25	1	6

In which of the following categories do you expect sales (\$) increases in 1980?

	1979	1980
TV-Color	64**	71
TV-Black & White	64**	22
TV Games	15	14
Non-Video Games	***	6

ELECTRONICS

Videotape Recorders	52	47
High Fidelity Components	37	28
Car Stereo	21	23
Radios-Clock	21	18
Radios-CB	6	8
Personal Computers	7	10
Microtape Recorders	8	4
Projection TV	23	18
Calculators	6	11
Digital Watches	6	8
Telephones	8	11
Phone Answering Devices	5	8
All other products	—	3

* Adds up to more than 100% due to multiple answers

** Combined in last year's survey

*** Not included in last year's survey

In 1980, which of the listed product categories do you expect to provide you with the greatest \$ profit (regardless of number of units sold or price per unit)?

	1979	1980
TV-Color	57**	64
TV-Black & White	57**	12
TV Games	7	4
Non-Video Games	***	1
Videotape Recorders	24	20
High Fidelity Components	36	17
Car Stereo	13	17

Radios-Clock	9	9
Radios-CB	7	4
Personal Computers	3	4
Microtape Recorders	5	2
Projection TV	10	8
Calculators	4	4
Digital Watches	4	5
Telephones	5	4
Phone Answering Devices	3	4
All other products	—	3

* Adds up to more than 100% due to multiple answers

** Combined in last year's survey

*** Not included in last year's survey

Do you expect your local advertising or promotion to increase, decrease or stay the same in 1980 as compared with 1979?

	1979	1980
Increase	52	39
Decrease	5	7
Same	43	54

What percent do you expect?

	1979	1980
1-5	38	5
5-10	45	17
10-20	15	70
Over 20	2	8

HOUSEWARES

Do you expect total sales in your department to increase, decrease or stay the same in 1980 as compared with 1979?

	1979	1980
Increase	66	43
Decrease	11	17
Same	23	40

What percent increase do you expect?

	1979	1980
1-5	33	0
5-10	41	17
10-15	17	36
15-20	7	25
20-25	2	19
Over 25	—	3

In which of the following categories do you expect sales (\$) increases in 1980?

Plasticware	3	9
Metal Cookware/		
Bakeware	13	11
Slow Cookers	8	7
Tabletop	2	3
Toasters	11	15
Toaster Ovens	17	23
Vacuum Cleaners	43	38
Home Dental Care Devices	8	6
Water Filters	6	15
Barbecues-Charcoal	11	10
Barbecues-Gas	***	23
Power Tools	13	21
Flexible Line Trimmers	18	23
Lawn Mowers	29	27
Snow Throwers	***	19
Other Lawn/Garden		
Equipment	15	9
All other products	5	2

* Adds up to more than 100% due to multiple answers

** Combined in last year's survey

*** Not included in last year's survey

Home security-		
intrusion	16**	15
Ice Cream Makers	***	3
Microwave Oven		
Cookware	33	23
Plasticware	6	6
Metal Cookware/		
Bakeware	16	10
Slow Cookers	4	3
Tabletop	2	1
Toasters	8	5
Toaster Ovens	10	10
Vacuum Cleaners	44	30
Home Dental Care Devices	3	3
Water Filters	2	5
Barbecues-Charcoal	3	8
Barbecues-Gas	***	14
Power Tools	7	10
Flexible Line Trimmers	7	10
Lawn Mowers	20	23
Snow Throwers	***	10

er color tv o dealers 3.4% dip

TON—Total U.S. mar-
alers of color television
3.4%, with year-to-date
according to the market-
partment of the Elec-
es Assn.

r tv sales were 882,758
he 913,348 models re-
go. For the 43 weeks,
39,232, against the
recorded in the com-

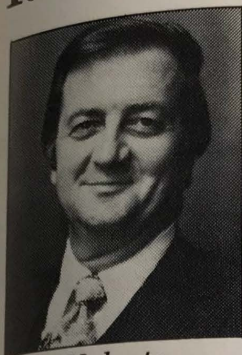
ories, home videotape
mounted to 61,389, an
bove the 56,545 units
er. For the year-to-
R sales were up 19%,
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old in the comparable

e-elected ance head

NY—Salvatore Ian-
ck Gas & Electric,
a seventh term as
Appliance, Inc.,
e.

were Vincent Ca-
Seaford, NY; Wal-
pliance Arama,
ris Gliklich, Regal
, NJ; Arline Lewis,
lyn, NY; Martin
os., White Plains,
Honig's Parkway,
ld Rosen, Arnco
rgenfield, NJ and
n, Abe's Radio,

Valente named RCA president



Valente

NEW YORK—
After a two-year
search, RCA has
found a presi-
dent.

He's Maurice
R. Valente, exec-
utive vice presi-
dent, Inter-
national Tele-
phone & Tele-
graph Corp. Va-

lente will be president and chief oper-
ating officer, and a director of RCA
Corp., effective Jan. 1.

Edgar H. Griffiths, who has been
president since September, 1976, has
been named chairman of the board,
also effective Jan. 1, and continues as
chief executive.

Valente, who is 50, has served with
ITT in a number of high-level execu-
tive positions, most recently as execu-
tive vice president and a member of
the Office of the Chief Executive, with
responsibility for the Consumer Prod-
ucts and Services Group.

Valente will have day-to-day re-
sponsibility for all of RCA's major op-
erating units with the exception of the
Hertz Corp. and the National Broad-
casting Co., which at this time will
continue to report directly to Griff-
iths.

Cuppett promoted to vp at Irvinware

NEW YORK—Darrel Cuppett has
been promoted to vice president of
purchasing and merchandising, Irvin-
ware. In addition to his new position in
charge of all purchasing and produc-
tion, Cuppett will continue to be re-

Panasonic re-enters U.S. market with limited distr

NEW YORK—Panasonic has re-en-
tered the U.S. calculator market with
a 7-model line, from \$12.95 to \$99.95,
according to Tom Nugent, national
sales manager-calculators.

The initial line, first introduced at
Macy's here, includes five hand helds;
a basic model, billfold, mini-card,
card/clock/alarm and world time unit.
Also shown were two portable print-
ers and one portable desk-top.

"Panasonic decided to leave the
market when it became too volatile.
Now that the market has stabilized we
have decided to plunge in once more,"
Nugent said.

The line has been committed to
more than 40 major department stores
in key markets.

The distribution will be limited to
these current stores, Nugent added,
with no plans to broaden the pipelines

Sam Schuppe resigns from West Bend Co.

WEST BEND, WI—Sam Schuppe
has resigned as executive vice presi-
dent of sales and marketing at West
Bend Co.

Prior to joining the Wisconsin cook-
ware firm, Schuppe had been associ-
ated with Sunbeam Appliance Co.
Neither his plans nor his successor at
West Bend were disclosed at press
time.

Radio Shack debuts 3 Manhattan stores

NEW YORK—Radio Shack opened
three new stores here last month.
The new units, located in midtown
Manhattan, are on Fifth Ave. at 41st
Ave. at 44th St. and Fifth
St. store fea-